

ABADAN

*A First-hand Account of
the Persian Oil Crisis*

BY

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ACKNOWLEDGMENTS

Much valuable assistance in the preparation of this book came to me from a variety of sources. In particular I wish to thank:

Many of the Anglo-Iranian Oil Company staff who have contributed reminiscences of the oil crisis;

Press and B.B.C. Colleagues who recalled incidents;

The information departments of the Anglo-Iranian Oil Company, Petroleum Information Bureau and the Foreign Office;

The Times, News Chronicle, The Sunday Times, Exchange Telegraph, Reuters and Associated Press.

The jacket is based on a scene from the documentary film *Rig Twenty*, photographed during the Naft Safid fire by Anglo-Iranian Oil Company cameraman, Martyn Wilson.

CHAPTER ONE

THE wails of worshippers, the groans of the injured, staccato bursts of rifle shots and the hysterical rantings of his killer were the dirge of the dying man.

His fingers grovelled for the last touch of life among the dusty pebbles of the courtyard beneath the minarets of the little mosque he had loved because it was serene.

A liberal ruler, he had lived in years too turbulent for his philosophies. He was the victim of political enmity which had linked the name of "traitor" to his own—General Ali Razmara, Prime Minister of the sovereign nation of Persia.

This was in 1951, six years after the half-civilized States of the Moslem World had realized the weakness which had overtaken the Western conquerors of the Second World War.

Conspiracy, mistrust and discontent had erupted in a spate of murder and mob violence as jealous minds in the dark pool of Mohammedan nations grasped the significance of the insurgence which had won independence for Israel, and forced the end of French power in the Levant.

The peasant continent behind the eastern fringe of the Mediterranean Sea swelled with revolt—priests of Islam felt the tremors of Holy War—revolutionary extremists propped up foreign-hating bigots who deposed limpid moderates—the surge swept implacably from Karachi, across Asia to Beirut, over to Egypt.

Religious fanatics allied with Communists in clamouring that the foreigners were robbing the people of the natural

riches of their lands, and that governments were being corrupted to serve alien interests.

Years before, countries which had lain off the route of nineteenth-century commercial expansion had consented, willingly to allow Western investors to extend their roads, railways, telegraphs and mail services which would place their territories along the valuable arteries of world trade. They beckoned to the commerce which followed the narrow ribbon of the Suez Canal.

Foreign traders welcomed access to strange market places—the bazaars, where craftsmen wrought metal wares, carpets and ornate jewellery in their own fashion.

The Eastern peoples fêted historians who compiled the stories of their countries from old books preserved through generations of aggression, arson, pillage and neglect. They encouraged archæologists who translated from dead ruins the living spirit of empires of thousands of years before.

Scarcely noticed, the quietly-probing geologist from industrial lands sampled earth and rocks from deserts and almost-inaccessible hills. When he wrote in his notebook "Found a trace of oil", they did not bother to ask the meaning of his search; gold, silver and precious stones were the only yields they knew which had any value.

Twentieth-century industrialists, with vast resources of money and technical skill, pushed railways, factories and businesses deep behind the frontiers of nations of almost complete poverty and illiteracy. Nurtured in years of "concessions", which often granted long tenures, tax and legal privileges, their foreign concerns grew to appear more dominating than governments, more autocratic than kings, until suspicion and resentment fermented against them.

Wealthy landowners feared that the spread of foreign industry would diminish their estates, and absorb the peasant tenants. Politicians came into power believing that foreign development would usurp their authority, and its greater efficiency expose their incapacities.

Foreign universities educated the young men of the country and returned them with science and professional degrees which their elders had never heard of. But the graduate felt inferior to the strangers in his own country, and did not like looking to their beneficence for his opportunities.

Overseas he had tasted new ideas, and heard the words "equality", "sovereign rights" and "independence"—though he did not know their meanings precisely. He translated them into a narrow philosophy, and watched every trend in the West for the possibility of imitation. There he saw encroaching nationalization; it seemed an appropriate answer to his problems, and he applied it to exclude the foreign interests.

No country dreamed more sumptuous fantasies than Persia. They had their origin in Oil-oil, which meant so little to the Persian Government of fifty years before, that had given away willingly the right to exploit it—oil which had produced now a vast, British-controlled colossus of finance.

The presence of oil in Iran was known in days before the Persian Empire. An ancient colony of Sumerians living on the coast of the Persian Gulf had used bitumen to bind their bricks in 6000 B.C.

Noah's Ark, and the basket in which Moses was cradled in the bullrushes, were "pitched". The Bible records the use of bitumen in the construction of the Tower of Babel.

Bitumen, or pitch, was found where crude oil had seeped to the surface of the earth, and was exposed to the weathering of sun and wind. Deposits were plentiful in the East.

Persian followers of the religious leader Zoroaster, who lived in eastern Iran between 1000 and 500 B.C., worshipped in mud "fire temples", by undying flames which flickered mysteriously from vents in the ground. They knew nothing of the oil reservoirs below, whose gases fed these flames.

They collected the thick, scummy liquid, and burned it

for its weak light, caulked the seams of their coracle boats with it, or used it as an ointment to cure mange in camels. But it did not help them in their livelihood of growing crops or rearing flocks and herds, and so it was thought of little value.

Centuries later, Mohammedan hordes blanketed Persia, stifling the Zoroastrian creed, and the fire temples vanished. The Saracen tide ebbed only after A.D. 732, when Charles Martel led the troops of the Christian Franks to victory at a battle near Poitiers, in the middle of France.

Rough animal and vegetable fats were satisfactory lubricants for the cumbersome machines of generations, up to the early nineteenth century. But, as iron and steel replaced wood, and gears were introduced, engines drove harder for speed and power.

The steamship and the sewing machine, the railway locomotive and the rifle required a variety of oils with exacting qualities. Scientists stumbled in ignorance, in trying to learn the elementary chemical structures of oil, behind engineers who complained of their heavy machines wearing out quickly, with bearings warped and seized, because there were no oils to match the engines.

Explorers set out to find oil, but did not know where to look. Nature had guarded closely the secret of her oil lockers, and her face was uncommunicative.

In the 1850's, reports from Rumania of oil traces inspired shallow borings. The tests were successful, but it was not until 1857 that the wells sent the first barrels to industry. Two years later, a prospector in Pennsylvania, U.S.A., struck oil at a depth of sixty-nine feet, and the well returned a daily production of 900 gallons.

Soon there were many drillings; a few won oil. It was the advent of the wealthy "wildcat" speculator, energetically drilling for oil riches. The profession of oilman was born.

The phenomenon of oil is due to the residue of an immense accumulation of decayed animal and plant organisms, buried

in peculiar mineral areas of mud and silt left by retreating seas and lagoons of 400 million years ago. Uncountable millions of minute forms of microscopic life sank and decomposed in the mire, to be worked on by bacteria which live without air, and the chemical actions of salt in the water and mud.

The oil was trapped in shale, converted from mud by the pressure of water. Mountain-forming movements squeezed the oil, sometimes forcing it for many miles into coarser rocks, where it percolated through porous layers until imprisoned below impervious rock.

Not all oilfields lie near mountains. Many oilfields in East Texas and the Gulf Coast of North America, Arabia and Venezuela are far from high ranges. But others are near to prominent mountain systems, like the Rockies of the United States of America, the Andes of South America, the Alps in Europe, the Caucasus between the Caspian Sea and Black Sea, the Urals in Russia, and the Zagros Mountains of Persia. Most of the fields in Alberta, Canada, are in the prairies.

More than forty different countries produce oil, but most of the reserves are centred in North America, the Caribbean, the Middle East, Russia, and Indonesia and North Borneo.

The oil-forming cycle perversely locked oil deposits in many barren and primitive regions. In the Middle East, geologists had to endure the hardships of traversing almost impassable mountains and waterless deserts, and the hostility of nomadic warlike tribesmen in the quest for supplies.

The weather-worn, craggy Zagros Mountains of Iran stand sentinel midway over hundreds of millions of tons of oil reserves in the richest reservoirs of the world.

The conquest of the oilfields of Persia challenged the exploring heart of Britain, but an expedition called for men with much money and courage. London, the fount of the Victorian era of colonial development, held the funds to meet the expenses—gold from Australia paid for the first oil drillings in Iran.

The financier who plunged his fortune into the struggle, wrest oil from Persia was a Devon man, William Knox D'Arcy. When, a youth of seventeen, he had emigrated to Australia and later opened a solicitor's office in Queensland, he invested in the successful venture of the Mount Morgan gold mine, and returned to England with a fortune in his middle years.

D'Arcy understood the possibilities of exploiting Persian oil when he met the French geologist and archæologist, de Morgan, in the closing years of the nineteenth century. While exploring ruins in western Persia in 1891, de Morgan had discovered traces of oil. His reliability and enthusiasm had appealed to D'Arcy, who agreed to try to obtain a concession from the Persian Government to continue the exploration for oil which de Morgan desired.

D'Arcy sent a skilled negotiator, A. L. Marriott, to talk with Persian officials. But the Persian Government vacillated, afraid of a Russian invasion from the north if the British were granted a concession in the south.

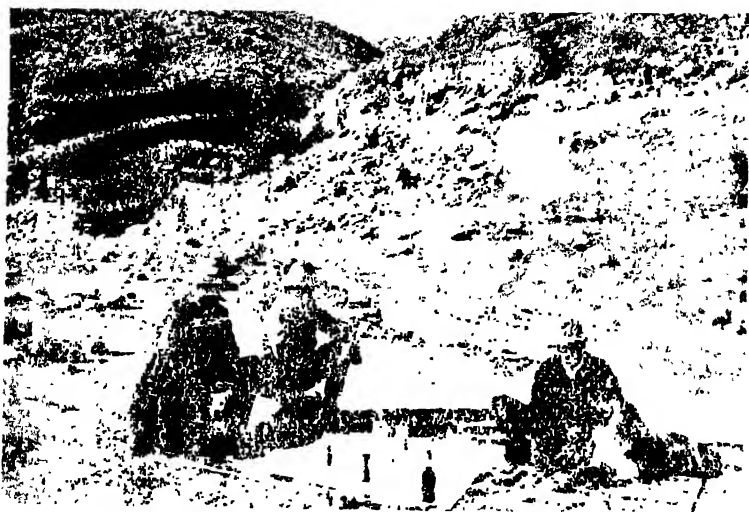
Marriott bided his time patiently, as the rocking-horse of Government favour nodded first towards him, then away.

On 28th May, 1901, Marriott announced to D'Arcy that the Persian Government had signed an agreement, to be known as the D'Arcy Concession. The agreement conferred on D'Arcy authority to "search for, obtain, exploit, develop, render suitable for trade, carry away and sell natural gas, petroleum, asphalt and ozokerite throughout the whole extent of the Persian Empire, with the exception of the five northern provinces . . ." which were too close to the Russian border for the Persians to risk the antipathy of the Tsar.

No concession could have been more generous to the oil hunters, with its limitless right to explore, produce and market the oil reserves of the Concession territory. In return, the Government received royalty payments for oil produced, but the initial scale was very low.

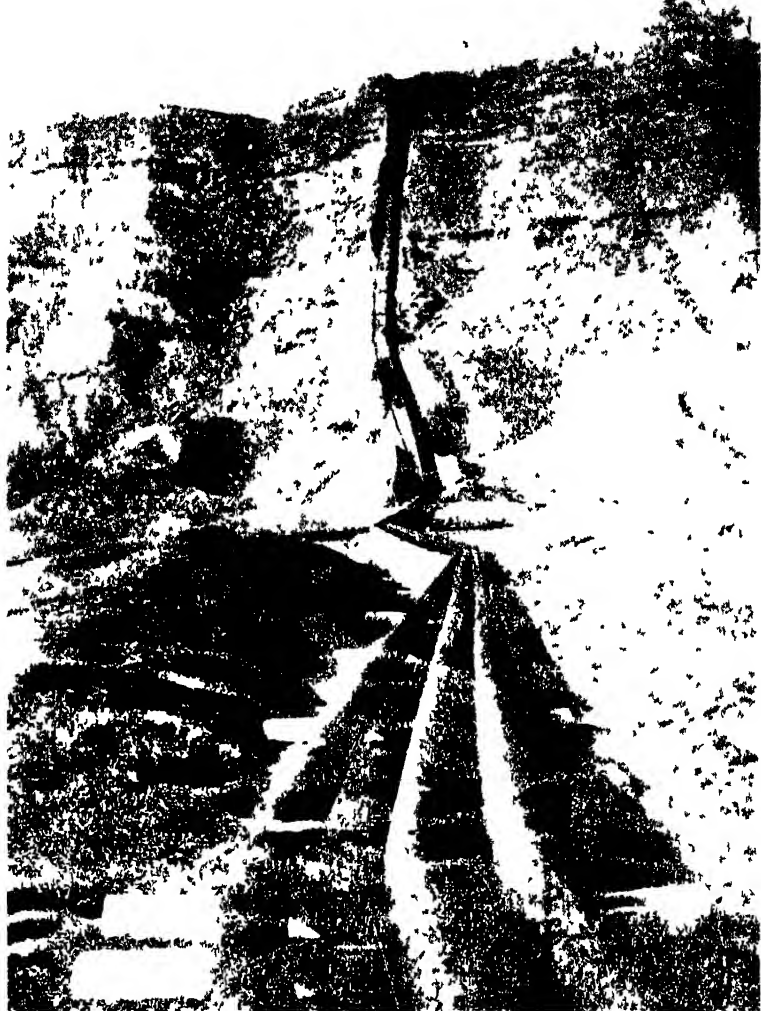


D'ARCY'S FIRST WELL, AT CHIAH SURKH, 1902.



EARLY OILMEN - G. B. REYNOLDS (LEFT), AND TWO ASSISTANTS, MR. WILLIAMS AND MR. CRUSH, ABOUT 1903.

Box
led to



MILLIONS OF GALLONS OF OIL FLOWED DAILY THROUGH THE
PIPETINE STRETCHING FROM AGHA JARI TO ADAN

The infant oil industry had produced few technicians with more than a rudimentary knowledge of the complexities of drilling. The search for oil depended mainly on guesswork and intuition. D'Arcy trusted George Bernard Reynolds to be the first oilfields manager; Reynolds, once an engineer in the Indian Public Works Department, was the most experienced oilman in the expedition, and lately he had been drilling in Sumatra.

De Morgan's reports favoured a remote, arid spot in the hills of western Iran, at Chiah Surkh. Although the country was unmapped and known to be the home of roving, warlike tribesmen, about a dozen British engineers and scientists readily volunteered to follow Reynolds in the search for oil.

Reynolds was a resolute and tenacious leader. Though he did not speak Persian, he organized Persian guides and labourers from Tehran in 1901, and with the heavy drilling apparatus loaded on pack ponies and camels, headed the caravan on its 150-mile march towards the hills.

The men slept during the day to avoid the searing heat of the shadeless desert country, and trudged at night along almost invisible tracks. They chanced being murdered and robbed when they halted at tribal encampments to beg drinking-water and food. Sickness and fatigue assailed them, and their animals soon wearied under the bulky burdens.

In the hills, the ponies slithered helplessly on the dry, round stones, and the men had to push the beasts over sheer ridges which defied sure footholds. Drinking-water was rationed; sometime, there was none for washing, and the men grew beards to protect their faces from the itching dust.

While Reynolds piloted the preliminary excursion to Chiah Surkh, D'Arcy, in London, was briefing another geologist, named Burls, to examine the south-east of Persia.

In November, 1902, Reynolds began drilling by a chill mountain stream where the oilmen had founded their base. His early researches confirmed de Morgan's report of oil,

but there was no hint of supply in quantities which would make commercial development feasible.

Failure was costly, so D'Arcy formed his First Exploitation Company to finance his team in Iran with more money. Baffled by the elusiveness of oil, Reynolds moved to the southern foothills, around Maidun-i-Naftun and Haft Kel, not far from a chain of encouraging seepages which Burls had located.

The investments of the First Exploitation Company sank into the dry borings along the Persian ranges, as Reynolds scouted for oil for four more years. In spite of Reynolds' bleak results, D'Arcy persuaded Lord Strathcona to pursue the venture through the Burmah Oil Company, and together they formed the Concessions Syndicate.

The oilmen concentrated their final drillings at Maidun-i-Naftun, where yields had been small but promising. Only Reynolds now remained hopeful, but his keenness spurred the Concessions Syndicate to a last attempt.

They drilled through days of suspense, with funds almost exhausted. Then, on 28th May, 1908, the drill punched through the final inches of a solid core of rock which had shielded a reservoir of oil; from a depth of 1,200 feet oil bubbled to the top of the well.

The strike vindicated Reynolds' confidence; more tests proved there was oil for the world in Persia.

The Burmah Oil Company, D'Arcy and Charles Greenway (later Lord Greenway of Stanbridge Earls) established the Anglo-Persian Oil Company in 1909 to operate the rights of the D'Arcy Concession. D'Arcy remained a director of the Anglo-Persian Oil Company until his death in 1917.

The Company decided to refine the oil inside Persia, and planned an ambitious pipeline from the oilfields to a refinery. The waterway of the Shatt-el-Arab River offered fine anchorages for shipping tankers where it coursed past the salty, flat island of Abadan, 150 miles west of the oilfields.

Abadan Island is part of the delta of the Tigris, Euphrates and Karun Rivers. The Bahmanshir and Karun Rivers separate it from the mainland, and the seas of the Persian Gulf lap the southern shore. The first oilmen found it was sparsely inhabited by Arab fishermen and date-growers. Arab traders in their wooden, single-masted dhows, were the only visitors between the tip of Abadan in the Gulf and the Iraq port of Basra, sixty miles inland along the Shatt-el-Arab River.

Malaria and plague ravaged the musty, mud-walled huts of the settlement. Through centuries of isolation, the people had remained unchanged in ways known to their ancestors in ancient civilizations of three thousand years ago.

British engineers and technicians, with a prolific source of labour from the deserts and hills, began laying the pipeline in 1910. New jetties pushed out from Abadan's shore to cargo ships laden with drilling and refinery gear and stores. Labour gangs carved roads through the hills and across the face of the plains.

The pipeline was ready in a year to carry 400,000 tons of oil, far more than the wells were producing. In 1913, twelve years after the signing of the D'Arcy Concession, the first refined oil products began to flow from Abadan.

The chrysalis Anglo-Persian Oil Company might have succumbed in the fierce fight for survival against established American and European competition in the international oil markets, if the First Lord of the Admiralty, Mr Winston Churchill, had not encouraged the British Government to acquire a majority holding in the Company with an investment of £2,000,000.

The British Fleet, gradually converting from coal-burners to oil, entered into a long-term contract for the supply of fuel oil, at a price cheaper than other markets offered, but justified by the guarantee of custom it gave to the Company.

The agreement between the British Government and the Company was sealed in May, 1914, three months before the

unforeseen Sarajevo incident and the wholesale plunge of nations into the First World War.

British troops held enemy Turkish forces out of the newly-developed oil territory during the war, but lack of materials and money hindered the Company when oil was in urgent demand along the Allied battlefronts. In 1915, rebellious tribesmen, financed by the Turks, cut the pipeline and stopped the flow for three months.

With peace the industry burgeoned. The Company devised extensions to increase the capacity of the pipeline to 3,000,000 tons a year, but soon this was inadequate. Seven oil tankers had been built during the war, and nine, bought from other countries, augmented the Company's fleet. Tankers from rival oil companies berthed at Abadan for supplies to feed the growing motor, shipping, aircraft and other industries.

Reynolds had left the Company in 1910, and Charles Ritchie, of Glasgow, the first pipelines superintendent, died of smallpox in 1914. James A. Jameson followed Ritchie as pipelines superintendent in 1914, and became oilfields manager in 1921.

By 1924, Jameson was in charge of the refinery and the oilfields. He remained in control during years when refinery capacity increased from 2,000,000 tons to 25,000,000 tons a year. The Company appointed him a director in 1939, and he retired in 1952.

Maidun-i-Naftun, known after 1926 as Masjid-i-Sulaiman, produced 4,500,000 tons of oil that year. Haft Kel soon added another 2,000,000 tons, and new wells were sunk along the line of southern foothills.

The greatest find was at Agha Jari, 93 miles east of Abadan, where eventually seven oilfields were producing almost half the refinery capacity. Wells at Naft Safid, Lali and Gach Saran boosted the output, until by 1951 the Abadan refinery was sending out 32,000,000 tons of oil products a year.

Oilfields at Kermanshah and Naft-i-Shah in the west, near

Iraq, maintained a steady flow, and a refinery at Kerman-shah provided 3,000,000 tons a year for Persia. A surplus flowed through pipelines to Iraq, where it was consumed by the railways, brick-making, bakery and other industries.

To speed shipping deliveries, the Company built a crude-oil loading-port at Bandar Mashur, about seventy miles east of Abadan.

Although the Company paid its oil royalties amounting to millions of pounds a year regularly, Persia remained an economically poor country. The Government built some roads, railways and a few schools, and improved medical services, but peasants and factory workers derived little profit from the Company's prosperity, and the large sums paid into the Persian Treasury from oil revenues.

Many politicians with landowning interests became more wealthy, while the people struggled for their meagre livings. Inefficiency in State management, aided by lavish spending on expensive cars and other luxuries, and corruption at all levels of Government service, absorbed an unduly high portion of the Company's toll.

It was easy for opponents of the Company to persuade the people that the Company was responsible for their wretchedness. Politicians urged the Shah to abrogate the D'Arcy Concession, hoping to steal the prosperity of the Company for themselves.

The Shah, Reza Pahlevi, declared the D'Arcy Concession cancelled while the Company was negotiating a new agreement with the Persians in 1932. The British Government appealed to the Council of the League of Nations, and the Persians accepted this impartial arbitration.

From these discussions, a new treaty was drafted, which the Persian Parliament approved on 29th May, 1933. The D'Arcy Concession had been valid for sixty years, but the new agreement extended the Company's lease of the oil lands until 1993.

It reduced the area of the Company's activities from

500,000 square miles to 100,000 square miles, to be chosen within five years, and defined a new scale of royalty payments to provide the nearly bankrupt Treasury with a richer share.

The basis of the new royalty payments was a levy of four shillings a ton on petroleum products sold for use inside Persia, or exported. A second clause required the Company to pay a sum equal to twenty per cent. of the distribution to the ordinary stockholders of the Company, which was in excess of £671,250 a year.

The Persian Government guaranteed the security of the Company in Iran. The three protective clauses, which became a vital part of the 1951 dispute, were:

Article 21: "This Concession shall not be annulled by the (Persian) Government, and the terms therein contained shall not be altered either by general or special legislation in the future, or by any administrative measures or any other acts whatever of the executive authorities."

Article 22: A lengthy provision comprising seven sub-clauses defining the procedure for arbitration in disputes. The Permanent Court of Justice at The Hague was empowered to appoint an independent arbiter, not of Persian or British nationality.

Article 26, in giving life to the Anglo-Persian Oil Company, stipulated: "Before the date of 31st December, 1993, this Concession can only come to an end in the case that the Company should surrender the Concession, or in the case that the Arbitration Court should declare the Concession annulled as a consequence of default of the Company in the performance of the present agreement.

"The following cases only shall be regarded as default in that sense:

"(a) If any sum awarded to Persia by the Arbitration Court has not been paid within one month of the date of the award.

"(b) If the voluntary or compulsory liquidation of the Company be decided upon."

When, in 1935, the Shah preferred that Persia should be known by its ancient name of Iran, the Company altered its title from "Anglo-Persian Oil Company" to "Anglo-Iranian Oil Company".

The upset of the Second World War brought British, United States and Russian troops across the borders of Iranian territory to block the threatening advance of Hitler's armies through Persia and the Red Sea. The Allied troops gaoled many Persians who held pro-Nazi sympathies; there was much indignation and protest inside Iran, and Reza Shah abdicated in favour of his son, Mohammed Pahlevi.

The occupying forces met some resistance from the Persian military defences, and there were casualties on both sides. But there was lasting resentment when a British Royal Navy cruiser sank a Persian gunboat, and many sailors were drowned, during the landings in the south.

Each year the Persians commemorate at mourning services the 6,000 Iranians who died in the wave of occupation.

The Persians on the western borders of Iran look out toward Iraq and the legendary site of the Garden of Eden; Turkey, the Caspian Sea and Russia lie beyond the boundaries of those in the north; the eastern frontiers are Afghanistan and Pakistan; in the south are the settlements of the Persian Gulf coastline.

It is a mighty country of looming mountains bearing on sweeping plateaux and dry, salty plains. Persia covers 628,000 square miles, equal to the total of Great Britain, France, Italy and Germany, with a population estimated at between 14,000,000 and 18,000,000.

In the very narrow fertile belt fringing the Caspian Sea on the north side of the Elburz range, the people cultivate cotton, hemp, tea, tobacco, rice and oranges. This region is well forested, and the land well-washed with abundant rains.

Between the Elburz and Zagros mountain systems lies the central plateau rising from 2,000 to 6,000 feet above sea-

level. Due to its rainless summers, cultivation is sparse and scattered; the population shifts sporadically and as aimlessly as the dust whipped up in a storm to find new grounds to replace lands which its feeble agriculture has left barren. Usually the tribal folk grow small crops of peas, beans and lentils; their animals are goats and donkeys, and, sometimes, a few fowls.

The well-watered, fertile valleys of the Zagros mountains support virile populations, particularly the nomadic, warrior-like Bahktiari. The wife of His Imperial Highness Mohammed Pahlevi is a Bahktiari, Queen Suraya Isfandiari, the daughter of a tribal chief. Their marriage in 1951, after he had divorced Princess Fawzia, a sister of Farouk of Egypt, brought peace among thousands of traditionally disaffected tribesmen.

The south-west shores of Persia have lain barren for centuries, but archæologists have shown that in ancient days irrigation had created fertile plains from the salty flats.

The national religion is Mohammedanism, forced on the Persians by the invading Moslem Arabs in A.D. 637. There is a cleavage of the Islam faith, and Persians belong either to the Sunni or the Shi'a beliefs; Shi'a is, by the Persian Constitution, the official religious sect. A few Iranians are Bahias, an old offshoot of Shi'a.

In rare areas there are communities of Zoroastrians, whose ancestors evaded the Moslem suppression. Mainly in the cities, there are about 100,000 Armenian Christians, and 40,000 Jews.

Until 1906 Persia was an absolute monarchy, and the Constitution which established the Parliament dates from that year. The Shah remained the supreme head of the State, ruling through a Council of Ministers, or Cabinet.

Neither the Prime Minister nor members of the Cabinet have seats in the Lower House of Parliament, the Majlis, but they are responsible to it, and depend on its support and approval. Adult Persian males voted every two years for the

136 deputies to the Majlis; Persian elections could take longer than six months before the House was fully elected.

In 1949, the Shah approved the formation of a Senate. The first Senate met in 1951, to consider the oil industry nationalization proposals.

Persia is divided into ten provinces, and these are the sum of seventy-six sub-provinces. Each province has a civil governor, with a governor-general living in a provincial capital. Many areas in the northern and southern provinces have military governors to control the provinces during civil disturbances.

Main roads join the principle towns and cities, and 900 miles of narrow-gauge railway lines carry passengers and goods from Bandar Shapur on the Persian Gulf to Bandar Shah on the Caspian Sea. The State-owned Iranian Airways flies services inside Persia, and to neighbouring Islam countries.

Telephone and telegraph communications are obsolete and feeble. Often the lines are cut by looters, who melt the copper wire and work it into trinkets which they sell in the bazaars.

Tehran is one of the few cities which generate electricity. Piped water supplies and sewerage are almost unknown throughout the country.

Tehran, the capital, is the largest city, with a population of nearly 1,000,000 people. The glittering domes of dozens of mosques and the slim spires of minarets rise above modern buildings in the European centre of the city, and the sprawling slums which lie behind the newer parts. The main streets are wide, but the shops so cramped they seem to be trying to edge each other out of the way.

Blue-uniformed police stand on the street crossroads to sort the jumble of weird traffic, from cars to donkey carts, which jam the highways.

Lying nearly 3,500 feet above sea-level, and over-shadowed by the 17,600-foot, eternally snow-capped peak of

Mount Demavend, Tehran suffers extremes of humid summer drought and bitter winters. Persians with wealth, and most of the European colony, retreat in summer to the wooded foothills at Shemran, ten miles along a modern, four-lane highway. They find relief among acres of shady trees, and swimming pools glistening like jewels set around stone-walled, airy houses.

Tehran staves off disease by the width of a hypodermic needle. Its slums are a reeking morass of human and animal filth. Modern medical science has checked the worst epidemics of cholera and plague, but can never relax the fight against disease.

The city water supply runs in open drains from the hills above Tehran where merchants, professional men and Europeans live, to the bazaars on the far outskirts. These drains, or djoubes, provide the only flowing water through the city. They are the cause of much of the sickness, for the people, their household goats and other animals wash and drink together in this contaminated flow. In summer, the townsfolk lie in the water, sleeping in its shallow, brown trickle, or flood their cellars to cool their homes.

Pure water springs from a few private wells. The British Embassy, and other embassies and legations, some European clubs and shops, and at least one hotel have their own water sources; mainly it is the foreigners who can afford to enjoy a clean supply.

The low production of commodities and luxuries means heavy imports of goods into Iran, and prices are high. Wages of factory workers in the country's textile, tobacco, sugar, cement, soap and the few other industries are small. Government officials are paid at uncertain intervals, and petty bribery for minor services is common practice.

Emotional and economic disturbances provided a fertile field for the Communist-led Tudeh Party. An impoverished people was ready at the end of the war to listen eagerly to the political malcontents. But the Tudeh Party fell into disgrace

and was outlawed in 1949, after an attempted assassination of the Shah at Tehran University, during a prize-giving ceremony.

The Shah's main interest in politics was to break the peasant-owning system. While he was busy cutting his large estates into small-holdings for a new class of independent farmers, conservative landowners, who resented his lead, tried to blame the Anglo-Iranian Oil Company for the depredations of wealth in the country.

The feudal land-owning system has bred selfishness and reaction. A Persian landowner may hold several villages, whose peasants traditionally are his chattels. He may provide seed, water, oxen and the rudimentary ploughshares, and allow the people to live on his properties as tenants to farm his estates. Their reward is a meagre sustenance from the crops, and though they may share some of the profits, their dividend keeps them barely from starvation.

In 1948, the Anglo-Iranian Oil Company, sensing the increased impetus of hate-propaganda, judiciously offered to revise the 1933 Concession. After considerable bickering by the Persian Government representatives, the 1949 Supplemental Agreement was signed.

The royalty provisions of this agreement were:

(1) The tonnage royalty was to be raised from four shillings sterling to six shillings a ton, while the annual payment in lieu of taxation was to be fixed at a flat rate of one shilling a ton.

(2) The Company was to make the Persian Government an immediate payment equal to twenty per cent. of the general reserve as at 31st December, 1947, in addition to a sum equal to twenty per cent. of any distribution to stockholders exceeding £671,250.

(3) A minimum annual payment to the Persian Government of £4,000,000.

When Parliament had passed the agreement, the Company was to pay £5,090,909 from the 1947 general reserve fund,

and raise the royalty payments for 1948 and 1949 from £9,172,269 and £13,489,271 to £18,667,822 and £22,890,261 respectively.

But the Majlis had dissolved, and did not meet again until June, 1950. The Company had promised not to announce the terms of the agreement until the Majlis ratified it.

The Majlis, fired with excess nationalistic enthusiasm, appointed a committee headed by Dr Mohammed Mossadiq, the Right-Wing leader of the National Front Party, to investigate the agreement. General Ali Razmara, the Persian Prime Minister, made no attempt to explain the agreement to the Persian people, though he favoured its terms.

With four of his seven Majlis supporters on the Oil Commission of eighteen members to examine the Bill, Mossadiq beat down opposition and announced that the agreement did not satisfactorily safeguard Iranian rights and interests. Razmara supported the Committee's decision, asserting that it was "recovering Persia's rights in southern oil".

The Company offered new negotiations, to discuss a fifty-fifty profit-sharing proposal, similar to a recent agreement made by an American company in Saudi Arabia. The Company also renewed its offer to pay immediately £3,360,000 on advance royalties for 1948.

Again, while opposition blazed, the Government did not attempt to describe the offer to the people. Dr Mossadiq, the anxious vulture of the oil industry, in February, 1951, demanded immediate nationalization of the Company's resources.

Razmara, forty-nine-year-old soldier-diplomat and graduate of St. Cyr Military Academy in France, did not favour immediate nationalization.

On 2nd March, 1951, Razmara told the Majlis that Persia legally could not abrogate the 1933 Concession; that if the Government did cancel the agreement it would have to pay between £300 million and £500 million compensation; that it was unwise to antagonize the British Government; that

Persia had insufficient technicians and specialists to operate the oilfields and refinery.

The nationalization policy was condemned in Parliament, but, in the dusty streets outside the squabbling cockpit of the Majlis, the religious mullah Sayed Abdullah Kashani roused obscuring clouds of discontent and dissension. The bent-backed mullah was a fervent enemy of the British oil industry in Iran.

Fervid Moslems danced and cheered deliriously when the ageing, bearded priest depicted them as slaves in the fetters of the Anglo-Iranian Oil Company. Carpet-menders and carpenters, metal workers and mechanics, were his audiences, always ready to acclaim his rantings.

Avid followers kissed his black gown, and the talon hands which grasped his staff as he shuffled through the foetid alleys of the bazaar. "Death to the British," they chanted in unison with his preaching.

Opposition remained mute, for terrorists intimidated disbelievers, wrecked their homes and threw the household belongings into the filthy djoubes.

Many Persian vendors had no quarrel with the Company, for it brought trade to their stalls and shops which they could not expect from their own people. Christians among the population abhorred the mullah's teachings, fearing that the Moslems were looking for an excuse to launch religious attacks at their small minority.

Kashani's influence banded together the Communist and extreme-reactionary students at Tehran University. They led lusty parades and demonstrations along the highways, calling on mobs of thousands who joined them to demand the surrender of the Company.

To Kashani, Razmara had grown into as gross an enemy of Iran as the Company, since the Prime Minister's rejection of the nationalization ideal. Razmara had to be removed before the doctrine of nationalization could become a reality.

Assassins carefully planned the murder of General Raz-

mara. Persian leaders often worshipped at the squat, sand-coloured mosque, Soltane, standing aloof in its little courtyard near the Majlis. They knew that soon Razmara would be visiting that mosque. . . .

Even watchful police guards surrounding the temple on 7th March, 1951, could not have suspected the mad thought of murder within the meek carpenter, Abdullah Rastiga, as he mingled with the congregation outside the mosque. His Western-style clothes fitted neatly, and no bulge revealed the pistol under his jacket.

His head humbly bowed, the seeming worshipper edged towards the mosque doors. He stopped by the steps to the porchway, and faced the path the General would tread.

As the Prime Minister paced down the courtyard, Rastiga slid the pistol into his hand and cocked the weapon. Some of the crowd saluted Razmara, a few jeered, and police held back those who were in his way; but Rastiga, undisturbed, waited by the doors.

Razmara was almost at the mosque steps when Rastiga fired. The General, fatally wounded by four shots in the back and head, fell to the courtyard. Bullets narrowly missed Isfandia Bozoiegmehr, assistant director of propaganda, who had accompanied the Prime Minister.

The crowd panicked in terror, and fought among themselves, while police cordoned off the mosque. Guards lashed the confused masses with cane batons, and struck with bare knuckles.

Pinioned by police officers, the killer screamed hysterically, "Death to all traitors!" Persian trouble-makers, loiterers and curiosity-seekers were embroiled in the riot.

Police reinforcements with carbines and revolvers fired into the mob, and wielded the butts of their firearms at the wailing men and women. Before the police hauled Rastiga away, one policeman and several rioters had died in the turmoil.

It was a triumphant day for the newly-revived, fanatic

Moslem sect, Fidayani Islam ("those who are prepared to die for Islam"), a religious group closely associated with Kashani.

At the mullah's beckoning, Fidayani Islam proclaimed through the bazaars that a national hero had freed their country from a Prime Minister who would have scuttled their independence for the wealth of the British-controlled oil wells in Persia.

It was grim and potent proof that Persians would tolerate no arbiters in the feud between Iran and Britain.

CHAPTER TWO

CAMBYSES, King of Persia, in 525 B.C. built the first trans-desert pipeline of sewn oxhides to supply essential water to his armies invading Egypt. To-day, thousands of miles of steel pipelines cross the sun-scorched wastes of the Middle East, carrying the precious essences of oil.

More than half the world's proven oil reserves lie in the Middle East. "Proven reserves" are those defined usually as "quantities of crude oil which, it is estimated, can be ultimately recovered from known oilfields under existing economic and operating conditions."

In 1952, oil experts estimated that the Middle East reserves amounted to at least 7,054 million tons (metric) of the estimated total world reserves of 14,200 million tons. Middle East production in that year, and including Turkey and Egypt, was 106 million tons, about seventeen per cent. of the world figure.

The Middle East oil region adjoining Persia is concentrated around Iraq, Kuwait, Saudi-Arabia and the Persian Gulf territories. Companies extracting oil include British, Dutch, American, French and Levant organizations.

An entirely American company, comprising the Standard Oil Company of California, the Texas Company and the Standard Oil Company (New Jersey), each with a thirty per cent. holding, and the Socony-Vacuum Oil Company, with a ten per cent. share, operates a concession in eastern Saudi-Arabia in the name of the Arabian American Oil Company (Aramco).

The concession to exploit the Bahrein Island reserves is held by a Canadian-registered company, the Bahrein Petroleum Company, owned equally by the Standard Oil Company of California, and the Texas Company.

Production from Kuwait is governed by the Anglo-Iranian Oil Company and the Gulf Exploration Company of Pennsylvania, each with a fifty-fifty interest.

The Iraq Petroleum Company, with its associated Mosul Petroleum Company and Basra Petroleum Company controls almost all the Iraqi output. The I.P.C. Group includes as its principle partners the Anglo-Iranian Oil Company, Royal Dutch-Shell, the Compagnie Française des Petroles, and the Near East Development Corporation, in which the Standard Oil Company (New Jersey) and the Socony-Vacuum Overseas Supply Company hold equal shares.

Qatar, a peninsula off Saudi-Arabia, is, like Saudi-Arabia, Kuwait and Bahrein, an independent Sheikdom, with friendly treaties with Britain. The Qatar oil rights are granted to the Petroleum Development (Qatar) Ltd., a member of the I.P.C. Group.

The Shell Overseas Exploration Company, by agreement with the Sheik of Qatar, holds under-water rights outside the territorial waters of the Sheikdom.

Oil-development rights, with some off-shore concessions, are operated by Petroleum Development (Trucial Coasts) Ltd., another member of the I.P.C. Group, along the Trucial Coast of Saudi Arabia.

The Anglo-Iranian Oil Company, although the only substantial operator in Persia, did not hold exclusive rights for the whole country, but by 1951, its installations in Iran were worth more than £400 million. After the Second World War, the Persian Government invited American geologists and oil experts to probe other areas, but clear of the Company's 100,000 square miles of Concession lands.

The financial control of the Anglo-Iranian Oil Company is vested in the British Government, with £11,250,000 of the

£20,137,500 £1 ordinary stock issued, and the Burmah Oil Company, which holds £5,342,985 of ordinary stock. The two British Government nominees to the board of eleven directors are Field-Marshal Viscount Alanbrooke, and Mr F. E. Harmer—though in 1951, Sir Thomas Gardiner was the Government nominee with Viscount Alanbrooke.

If the Persian Government had accepted the 1949 Supplemental Agreement, the Company's payments would have brought Iran £18,667,786 for 1948, against £9,172,245 the country received under the 1933 Concession, and £22,890,261 for 1949, instead of £13,489,271.

The Persian Government would have received in royalties and back payments in 1950, at least £45,000,000. The royalties for that year, based on the 1949 Agreement, were estimated at £28,500,000.

Customs duties and income tax from the Company's operations would have brought £12,000,000 to the Persian coffers.

The Iranian Government derived additional revenue from selling its currency of rials to the Company at a special high rate. These sales would have provided another £6,000,000 to Persia in 1951.

Early British prospectors had found the south-west region of Iran almost uninhabited, sparsely civilized, and the land a barren waste. There was little agriculture, no machinery or construction materials, no centres of population, which meant no public services of water and drainage, no railway and scarcely any transport. Stores had to be carried by river craft, or on camels and ponies over pitted, desert tracks.

To develop the oilfields, and the refinery at Abadan, which grew into one of the largest in the world, the Company had to embark on scores of projects to provide facilities and amenities for both British and Persian staff, and Persian workers.

A few of these were the provision of roads, bridges, wharves, houses, schools, hospitals, electricity, water and ice supplies, sewerage, telephones, swimming pools, clubs,

cinemas, recreation grounds, canteens, restaurants, buses and taxis, and imports of all kinds of food, general stores and, for many Persian workers, clothing.

British staff governed all the activities of the Company in Iran. Its operations were supervised in 1951 by forty-nine-years-old Arthur Eric Courtney Drake, general manager in Persia and Iraq. Plump, gradually balding Eric Drake, who had joined the Company as an accountant, lived with his wife in a large, double-storied house at Khorramshahr, close to the Company's administrative offices and the British Consulate. Other British managers lived in neighbouring Company houses.

The refinery oilmen lived on Abadan Island, mainly in the garden suburb of Braim, or the estate shared by Persian "graded" staff and British at Bawarda. The general manager of the refinery, portly Kenneth Brebner Ross—always known as "K.B."—occupied a Company house set on a sweeping, green lawn, about two hundred yards from the refinery, and on the shore of the Shatt-el-Arab River.

The British population of Abadan in 1951 comprised 3,250 men, 650 wives and 480 children, all housed in Company flats or bungalows. In the oilfields there were 1,200 men, 275 wives and 175 children.

In addition, the Company employed about 200 Indians and Pakistanis.

The company employed about 5,000 salaried Persian staff, including Armenians and other races with Persian nationality. Their privileges and amenities were similar to those of the British.

The rest of the workers—about 70,000 throughout Iran—were mainly wage-earning labourers. In Abadan, where the number was more than 30,000, many were Arabs from nearby settlements, while in the oilfields they were predominantly local tribesmen, who also migrated to the refinery.

The oil-producing region in south-west Persia was known as Fields. The British oilmen and their families lived in

lonely scattered communities where the oil flowed, among the simple mud habitations of the tribal camps.

Their only tangible link with the nearest civilization, the refinery city of Abadan, was the network of steel pipelines. At night, the soft, faint ruddy glow in the sky of gas-burning flares at other oilfields reminded them of the unremitting vigil which all oilmen shared, to ensure a constant flow of oil to the voracious refinery.

Oil was found in diverse locations. Sometimes the road to a well followed the course of a racing creek, or a level route between winding hills. Often it would mount sheer, precipitous slopes, curling in hair-pin bends to a summit hundreds of feet high.

The lattice frames of the oil derricks, or rigs, stood like pylons of finely-drawn wire against the overpowering backdrop of the hazy mountains. The pipelines hugged the brown, rolling ground as closely as shadows on a rippling sea.

Gas from the oilwells was piped through "separators". Some of the pressure remained in the pipelines to drive the oil along to the refinery, and the rest was channelled to waste land, where it was ignited, and blazed as an eternal safety valve.

At Agha Jari, the water pumping equipment was driven by natural gas, which also supplied fuel for the oilmen's homes. A new gas turbine, the most modern in the world, was being built at Masjid-i-Sulaiman in 1951.

The head of Fields enterprise was a New Zealand-born geologist, Peter Cox. He had worked with the Company since 1924 in many parts of the world, including Peru, Venezuela and Colombia, Kuwait and Iran. He directed the development of new wells and the production of oil.

Respected and popular with British and Persians, his steady leadership during the 1951 troubles maintained confidence and morale on each side. When the oilmen evacuated, there was less bitterness between Iranians and British in Fields than in Abadan.

Established oilfields' centres enjoyed a variety of amenities provided by the Company. There were clubs, cinemas, dance halls, swimming pools and tennis courts. In cooler weather, oilmen often formed football and cricket teams, and played fixtures with other settlements.

The homes were well-ventilated bungalows, constructed from bricks produced by the Company's brickworks at Ahwaz, and equipped with the essential air conditioning-machine, which made summer heat bearable. Many oil families owned modern radio-gramophones, with collections of popular and classical records. Bookcases usually were well-filled, and magazines were popular.

Almost inevitably, one of the pieces of furniture was the cocktail cabinet, with bottles of Persian beer and vodka and Company-imported wines, Scotch whisky and gin. Fields hospitality was unstintingly sociable.

Like all Europeans in hot, Eastern countries, they had their cooks and house servants who bought the household supplies, and performed the more arduous housekeeping tasks.

Often, through Iranian workers, the oilmen became friendly with local chiefs and leaders, spoke their language and learned something of their customs, history and legends. Many were friendly with the Persian Government officials and military officers in their districts; during the later troubles, Prime Minister Mossadiq withdrew almost all the Civil Service executives from their posts, claiming they had been "contaminated by the Anglo-Iranian Oil Company".

Masjid-i-Sulaiman was the Company's capital of Fields. The historic steam-engine which had powered Reynolds' drilling punch into the initial oil deposit at Masjid-i-Sulaiman, then known as Maidun-i-Naftun, was preserved at the settlement.

A recently completed block of bachelor flats for British staff perpetuated his name.

The head administration offices for Fields, bungalows and

workshops, sprouted irregularly over the sprawling hills. A luxuriant growth of shady trees around the British homes was an emerald setting against the naked mountains, where only spring brought a brief flush of green.

Masjid-i-Sulaiman derived its name—"Solomon's Temple"—from the ruins of an ancient fire-temple found near the site of the first productive oilwell.

Other place names were descriptive of their areas, like Haft Kel, which meant "Seven Stones"; these were seven huge obelisks of rock on the crest of an overshadowing peak close to the oilfields. According to one legend, a Persian khan, or chief, had carried these stones to this summit to denote the boundaries of this land.

Naft Safid meant "White Oil", because the crude oil of the area was light in colour.

A spiderweb pattern of roads, with sun-baked, oil surfaces, joined Masjid-i-Sulaiman with the oilfields and refinery of southern Iran. The oilfields administered from Masjid-i-Sulaiman were Lali, about forty miles to the north, and Naft Safid, Haft Kel, Agha Jari and Gach Saran in the south. There was a gas field at Pazanun, and oil-pumping stations at Tembi, Kut Abdullah and Dorquain. The petrol distribution centre for Persia was at Ahwaz, the Persian capital of Khuzistan Province.

Although the Company's intention was to situate the oil settlements in or about the centre of the different oilfields, Agha Jari proved an unexpected oddity. After the planners had sited the administrative and residential buildings in the area they thought to be the middle of the field, later drilling showed that the oil reserves extended in an oval, narrow strip, for twenty-eight miles, and that the buildings were on the edge.

With its flow of 15,620,000 tons a year, Agha Jari was the most important of the oilfields in Iran. The field needed 5,977 employees, including 175 British staff, to keep the sixteen wells flowing, and maintain the associated services.

The Company's brickworks at the field produced more than 21,000,000 bricks a year.

Thirty of the 257 wells drilled at Masjid-i-Sulaiman were in production in 1951, with an annual output of 2,830,000 tons. There were 278 British staff at the field.

Lali came into production at the end of the Second World War; by 1950 the output from four of fifteen wells sunk was 730,000 tons a year. In developing this field, the Company spent more than £200,000 for a bridge over the Karun River. There were forty-five British oilmen at Lali.

The annual production from Haft Kel, which kept twenty-six British oilmen busy, was 7,537,372 tons. A few miles from Haft Kel, the Naft Safid wells produced 1,210,000 tons annually, with forty-five British among the employees operating the installations.

Four of sixteen wells sunk at Gach Saran since 1940 were producing 2,060,000 tons of crude oil a year in 1951. The oil pipeline from this field, where five British staff supervised the operations, fed directly the loading port of Bandar Mashur, before connecting with the refinery system.

The oilmen worked in continuous relays in shifts of about eight hours during day and night. They were always in complete charge on locations, though frequently Persian foremen assisted in directing the labourers.

Oil-location and drilling were skilled jobs; the days of "twig-hunting" divining and guesswork were over.

Surveyors, geologists and geophysicists began the search by studying ground and aerial maps, and inspecting likely regions. They exploded gclignite bombs in the rocks, and recorded on instruments the echoing vibrations from the subterranean formations, or measured with sensitive balances the variations in the earth's gravity below the surface. When they thought they had found a reservoir of oil, they called in the drillers.

Drilling was costly in money, and slow in operation. A well, after thousands of feet had been drilled, might not

produce oil in payable quantities; or there might be only a release of gas, without oil. Then the borehole had to be plugged, and a new well sunk to continue the search. Often a special pattern was followed, to ensure that at least one boring would plunge into a layer of oil.

It was wearing on the ties of relentless teamwork to continue boring in seasons when the blazing sun heated gear until it burned human flesh, or winter winds from the snowy peaks chilled the men with forceful blasts. It needed patience and unremitting energy to direct the labourers in clearing the land with their bulldozers and tractors, and assembling bulky pipes, drilling engines and framework.

Like the drum-beats of a distant marching army, the sounds of hammer blows rolled around the hills as bolts were driven into place, and the steel rigs rose around the oilmen.

The original borings were fathomed by the percussion, or "cable-tool" system of drilling, similar to a method applied by the Chinese 2,000 years ago when they searched below ground for brine. It was laborious, and exasperatingly slow, as the heavy, chisel-shaped bit had to move up and down, punching through the rock. The depth of a well was restricted to about 3,000 feet.

The more efficient "rotary" drilling style was developed after the First World War. In rotary drilling, a cutting bit with hard steel teeth, sometimes studded with industrial diamonds, churned through the ground on the end of a revolving drill pipe. One well sunk in the United States by rotary drilling attained a depth of 20,000 feet—and still failed to produce oil.

This type of rig, firmly set in concrete, bears the weight of the drilling operations. Strong wire cables hang from the top of the derrick, and, running through pulleys, suspend a swivel which hangs exactly over the point where drilling is to begin.

Steel casing cemented to the sides of the borehole prevents the well caving in. As the casing reduces the diameter of the

well each time a new length is inserted, the drilling bit at the completion of the well may be far smaller than the one which began it; a twenty-four inch bit may begin a well, and a four-inch bit finish it.

If a drill pipe twists and becomes wedged in the hole, usually when the boring has deviated from the vertical, or the bit has suddenly struck exceptionally hard rock, the drillers have to "fish" it out. Then they have to guard against a rush of gas, which would blow the drilling tools out of the well.

Persian oil usually was sandwiched between a top layer of gas, at a pressure of more than 1,000 pounds a square inch, and water below. The watchfulness of the drillers, and automatic warning and safety devices reduced the risk of a "blow out", but the oilmen worked near to death.

The savage fire at Rig 20 in the Naft Safid field was the first—and only—one around an oilwell which the Company had experienced in Persia. Because it exploded during the last crisis—only three months before the oilmen stepped out of Iran—many fanatical Persian leaders accused the Company of "sabotaging the oilfields".

But the devil which shattered Rig 20 was no pantomime demon. It was an unleashed fury, which fought stubbornly for a month before the oilmen could harness it.

The road sign to Rig 20 was a red-lettered board, warning, "Danger. Well drilling in." Drillmen working on the site had reported for weeks indications of an unusual concentration of gas surmounting the oil chamber.

It was a calm morning in early May, 1951, when the pressure gauge needle on the rig veered crazily to point to danger. The three oilmen on the derrick who had been trying to dislodge a section of drill pipe wedged in the well, hurriedly clambered down the steel frame, and with the ground crew dashed for the shelter of nearby dipping ground.

In seconds, rumbling and hissing gas escaped to the top of the well; then, with a detonating roar, a withering shaft

of crimson flame crumpled the 136-foot tall derrick, and it writhed over the well in the core of a 400-foot pillar of fire.

Singed and deafened, but safe, the crew raced to Naft Safid camp where Fields superintendent Eric Martin called for all emergency fire services. Reeking, bitterly pungent fumes filled the air, the black pall of blazing oil gas dimmed the glaring sky, and the siren-scream of gas roared for miles about.

Oilmen from other fields immediately volunteered their help in suppressing the outbreak. But the ordinary fire-brigades were too puny for this monster blaze, and their jets of water were no more effective than spring dewdrops.

To suppress this mammoth stream of fire, the Company called for an American professional oilfire-fighter, Myron Kinley, who has beaten more oil infernos than any other man. Within hours of the appeal, Kinley was on a plane from America. He flew 7,500 miles in eighty hours to save the well.

"It's the grand-daddy of oilwell fires," he commented when the oilmen brought him to the wrecked rig. Two columns of scorching fire were blasting from the hole, one vertically, and the other horizontally, across the tangled derrick.

Giant serpents' tongues of fire which ricocheted off the charred steel debris barricaded access to the drill hole. Kinley decided to clear a narrow passage by blasting through the ponderous drilling gear with packages of gelignite.

No man could live long unprotected around the seat of the fire, where the air temperature was 250° F., and the flames emitted a heat estimated by the oilmen at 400 million thermal units—enough to warm two-thirds of the homes of England. The surface pressure of the gas was 2,000 pounds to the square inch.

Kinley designed an immense shower bath, which would drench the oilmen with water while they worked around the blaze. He was the architect of the mobile, fireproof cage,

which surrounded a bulldozer and the men by asbestos sheeting, under which they could approach the seat of the flames.

They blocked their ears with wax, to shut out the deafening roar, and worked by hand-signals.

At night, the deep hollow where the fire was centred glowed a dazzling, burnished bowl. The shimmering glare reflected off the hills like snow, and the men worked in a temperature of more than 100 degrees.

Fire was blocking the existing road, so the oilmen and scores of Persian labourers built an emergency track of more than half a mile, in four days. Bulldozers and tractors driven by trained Persians, clanked and rattled over the steep slopes, shifting tons of mountain soil and rock.

In that arid region where water was scarce, the nearest suitable source was the Karun River, twenty-two miles from the camp. Construction engineers lugged heavy lengths of six- and eight-inch steel piping to the river, and dammed a small stream for a reservoir.

They covered a bulldozer with corrugated iron sheets, and coupled to the front of it a long asbestos canopy, with its walls hanging almost to the ground.

Kinley called: "Get wet!"

Hoses spurted 1,500 gallons of water a minute over the canopy, as a dozen oilmen, with Kinley, Martin and a Persian engineer, Mashayekh, in the lead, shouldered fifty-pound boxes of gelignite from stores in a stockade, 100 yards from the safety of the water-cooled canopy, and ran to its shelter, risking a fatal stumble over hosepipes and gear.

For days, they blasted the wreckage near the fringe of the fire, while tractors hauled bulky lumps from the path. But the heat became too formidable for further progress about sixty feet from the well.

Martin and drilling superintendent D. Dunlop loaded 350 pounds of explosive into a forty-gallon oil drum, and immersed the bomb in a 600-gallon water tank. Construc-

tion gangs supervised by R. K. Blackwood and R. Hunter, built a larger canopy to hold the charge in front, and organized more relays of hoses to pour thousands more gallons of water over the men inside.

With Kinley's guidance, the bulldozer pushed the canopy within forty feet of the burning well, and the oilmen laid the bomb beside the flames, before retreating under the protecting shelter.

Kinley's shot was successful. The charge released 2,600 feet of drilling pipe from the well, and hurled it, writhing, hundreds of feet into the air. The weighty drilling gear scattered clear of the well, and only one thick column of fire streamed to the sky.

A deluge of millions of gallons of water from the hoses saturated the ground and white-hot wreckage for a week before Kinley thought it safe to approach the well again. Under the new canopy, the fire-fighting crew placed a 500-pound charge of gelignite close to the blaze.

The tremendous blast snuffed the flame, but oil gas roared to 1,000 feet. Two great valves were flown, one from America and the other from Britain, to cap the well and seal its pressure.

With water-soaked cloths around their mouths, and wax in their ears, the oilmen laid a concrete setting for the valves around the wellhole. They worked in brief shifts in acute discomfort, half-poisoned by the foul gas, and stung by small flinty stones which, in that dry heat, could have sparked the gas aflame again, and destroyed everyone near it.

Engineers assembled the valves into a single unit, which they swung by crane over the well. They left the valves open to allow the fast-rushing gas to flow through the unit until they were ready to cut off the pressure. Gently, to avoid sparks, as the massive apparatus touched the cement, they inched it over the hole, and bolted it firmly with steel stakes. Then they closed the valves; the roar dwindled to a dying wail, subdued to a whisper, and gradually silenced.

Rig 20 was tamed.

The outburst of Rig 20 seemed to express the sympathy of Persian oil with the upsurge of revolt welling in the minds of the people who lived above it. When Rig 20 was checked, a fiercer unsuppressible burning had spread over Iran, an emotional "gusher" which defied capping.

"Naft" means "oil", and the ancient Persians knew the word. Many of their descendants were the dark-skinned, black-haired "naffars" who handled heavy drilling gear, or assisted construction gangs with pipe-laying, road and bridge building, or the erection of houses and refinery plants.

The Persian labourers generally were illiterate. A harsh season of poor crops would send them to the refinery or oil-fields to earn more money, but, brought up in pastoral ways, they were ignorant of the technical skills required in industry. They found industrial discipline, with its rigid working hours, hard to understand after their nomadic existence.

Many retreated after a few months to their flocks among the hills, where they found their true homes; but even men who had worked for the Company for ten, fifteen or more years, tended eventually to yield to the instinctive call of the tribe, and returned to their folk.

They were strangely emotional people, capable of sincere friendliness, with a penchant for simple practical jokes. But the confusion of abstruse politics made them suspicious and sensitive, and they looked to the lore of the tribe for a measure of judgment.

The workers mirrored in their dress the compromise between the peasant simplicity of their life and the encroachment on their customs of modern industry. Arabs liked to wear blue, usually very greasy, boiler suits, with a coloured cloth tied around their heads. The Bahktiari tribesmen preferred wide, black trousers of a style worn by the hillfolk, with a European jacket.

Often they walked bare-footed, or in "ghivers", white, canvas-topped shoes which slip on without straps or laces.

Company doctors examined medically each Iranian applicant for work, and recorded fingerprints and photographs for identification.

Unskilled workers usually earned higher wages from the Company than the minimum amount dictated by the Persian Labour Laws. Few earned the minimum of 280 rials a week; most received 470 (at 90 rials to the pound sterling) rials a week.

Workers in areas without comfortable amenities, especially in oilfields regions where exploratory wells were being drilled, received a 30 per cent. allowance above their basic pay. Some workers received "dirt" or "danger" money for various jobs.

The Company had opened eight shops in Abadan for the Persian workers where they could buy, on ration cards, flour, tea, sugar, ghee (a sweet butter), rice, charcoal, soap and kerosene. Ration goods were subsidized by the Company, and sold considerably more cheaply than in the bazaars. These workers also received privileged issues of ice and clothing.

At the end of the Second World War, technical and commercial training schemes for apprentices had advanced. The Company trained young Persians in branches of all trades connected with the oil industry; the wide variety of occupations included drillers, chemists, railwaymen, motor drivers, storekeepers, printers, telephone operators, divers, doctors, nurses (for Iranian girls), office clerks and accounting machine operators.

An apprentices' hostel at Abadan accommodated 300 youths. The Abadan technical training institute, surrounded by gardens and sports grounds, was financed and administered by the Company, and its degrees and certificates were recognized by the Iranian Ministry of Education.

Some of the students were Tehran University graduates, receiving practical training for senior technical and administrative posts with the Company.

Apprentice-training shops, with British and Persian instructors, taught young artisans carpentry and electrical fitting.

Bright students were brought by the Company to universities in Britain, to win degrees and diplomas in various branches of the sciences and arts.

Company workers shared with British and Persian staff the facilities of Company hospitals and clinics. At Abadan, there were twenty British and forty Iranian doctors and specialists at the 450-bed hospital, and British nurses worked with Persian trainees and graduates in the wards.

There were four first-aid clinics for workers in the refinery compound, and eight clinics in the municipality of Abadan, outside the Company's borders but supplied by A.I.O.C. resources. The hospital services included three operating theatres, two maternity wards, two children's wards and a physiotherapy department.

In its battle against disease, the Company had built an isolation ward of 150 beds. Once-prevalent diseases—cholera, plague, dysentery and malaria—were now rare. Fewer children suffered from the eye-blinding trachoma or ringworm.

At Masjid-i-Sulaiman, staff and workers were treated at a Company hospital of ninety-three beds, and Agha Jari was provided with a fifty-six-bed hospital. Company clinics supervised by British and Persian doctors and nurses were located at other oil centres.

In contrast, thousands of Iranian workers crammed into inadequate dwellings. In spite of its efforts to stem the mounting flood of people without decent homes, the Company could not keep pace with the incessant influx while expanding the great refinery.

The dearth of housing materials and shortages of skilled labourers delayed the Company's house-building programme. It would have occupied builders probably for another generation to have erected good homes for all the workers.

During war years, house-building had diminished; after the war the Iranian population of Abadan almost doubled in number. The municipality, once an agglomeration of tiny villages on the mudflats, now held a tightly-packed population of nearly 200,000.

About 130,000 were Company workers with families, and the others were mainly labourers employed by Persian contractors, craftsmen and bazaar stallkeepers, with their wives and children.

The municipality of Abadan was administered by its own council. The Company supplied water, electricity and drainage services, assisted in the suppression of disease and helped with the building of schools and clinics—usually by constructing these and handing them to the council.

Persian landlords owned dozens of dingy tenements which were overcrowded by workers who paid rents which absorbed most of their wages for small, insanitary rooms, but were compelled to live in these squalid acres because there was no better shelter available. About 300 lived in tents which the Company had erected as temporary dwellings—though some families had occupied them for at least two years.

Beyond both the Company area and the municipality, a poverty-stricken community existed under canvas and sack-cloth awnings, supported by walls of beaten petrol cans and mouldering wood.

This area was a shanty town for contract-labourers, who frequently were paid less than the minimum wage directed by the labour laws, their Persian bosses enjoying immunity because of the laxness of Persian Government supervision in the oil region. Most of the workers obtained jobs irregularly. Their tasks included cleaning the oil storage tanks, or shifting sulphur cargoes.

Because they were not listed as Company workers, they had none of the hospital privileges, nor could they shop at Company stores and buy goods at subsidized prices. They

were a scrawny, wild-eyed people, fighting desperately for survival on handfuls of beans and lentils.

Although there were trade unions in Persia, their influence among the oil workers was small, and there were different unions in Abadan and Fields. The unions were at their strongest when the Communist Tudeh Party operated openly, but its effacement from popularity coincided with the rise of the larger nationalistic vision, which superseded domestic issues.

The workers were represented by Company Joint Departmental Committees comprised of British and Persians at Abadan and in Fields. The Company had appointed thirty Persian senior staff to the highest-grade executive posts to watch and solve problems which affected the welfare and interests of the workers, but they were consultants mainly to British managers, and without absolute power for implementing their decisions.

The British had raised these Persians to top grades to sponsor goodwill and trust among Iranian workers, yet without prejudicing its autocracy in management.

Nature had been a brutish opponent, but the Company was triumphant. Beneath the wilderness lay a treasure-house which had surrendered to the oilmen's determination.

But the Persians felt no ownership in the wealth below their land, or in the alien control which extracted it. As the oil flowed faster, the Company had grown away from the hearts of its workers, and did not perceive the inward pining of the people for a bond of partnership.

In the early days of 1951, naffars and houseboys had warned their British bosses:

"Get ready for trouble when the holidays are over!"

The holidays were the Moslem religious observances of Nowruz, the Persian New Year, ending in the fourth week of March. Religious holidays inevitably were periods of some anxiety and tension among Europeans, when Moslems lashed

themselves with whips, and in hypnotic emotional furies followed their mullahs in frenzied devotions.

In this unstable year, with the mullahs preaching the disruptive doctrines of extremist politicians and firebrands, the acid passions of hate fast corroded friendships.

Loyal workers told the oilmen of strange young men wearing neat, Western-style clothes who were entering the village proclaiming they were "liberators". Sometimes the visitors would sneak through oil towns in the guise of peasants, with faces bearded and feet bare and calloused from following the unaccustomed tracks of pony and camel trains.

They were the sinister shadows of sedition, the paid trouble-makers, hirelings of politicians and Communists, whose work was to scourge and fester the spiritual sores of the Iranian nation.

The stars of Persian night skies had never beamed their light to more malicious orgies of intrigue. The crescendos of political clamour soon thundered a percussive accompaniment to the lightning-bolts of bazaar insurrections.

The agitators, mainly Tehran-trained, delved for support among the lowest-paid workers, and the apprentices with a smattering of education. They were smooth inciters to revolution, and terrorists to those who tried to defy them.

They taught the worker in the hovel to envy those who lived better; they persuaded the students that their inheritance was richer than subordination to the British company. They poured corrosive ideas into every fault, and derided each benefit of the Company.

Rabble-rousers organized demonstrations, with poets to recite heroic verses which were incentives to revolt, and launched slanging denunciations against the British.

Then the young men of the town or village would leap to the rostrum, and urged their fellows to join in a fight to subordinate the foreigner for ever. Cheer leaders in the crowds boosted applause.

Masses would sway ecstatically. They jumped, brandished

their arms frantically and vied to cheer loudest. If in the tumult, no one could hear the orator, no one cared.

Civil policemen rarely intervened unless destructive riots threatened. But the agitators were careful not to stir the throngs to disorder where armed security prevailed.

On street corners, and behind the rickety doorways of the dwellings, the trouble-makers fired dialectic, and the people argued:

"If these men are telling lies against the Company then surely the Government would have them suppressed. So, they cannot be wrong!"

"The Company does not answer these accusations. . . ."

"The Company is here to take away our oil; in not opposing these men it admits to robbing and deceiving us as we are told."

The years of Company silence had nurtured opposition, had enabled Parliament to pass resolutions to nationalize the oil industry, and contributed to the death of the Prime Minister who might have patched the political split.

Once the trouble was alive, the Company became afraid to speak aloud; yet the Company was deep-rootedly unbelieving that the Persian Government would oust this vast organization which provided riches for the Government coffers.

Few Persians understood the contribution of the British Company to their country. For two years no Government had dared to explain offers made by the Company secretly, and agreements which the Company sought.

The Government denied the knowledge to the people that the Company had improved its financial terms by a readiness to share oil profits equally, on a basis similarly applied in other Middle East oil areas.

Probably in those two late years, no Company publicity could have swerved the people from their emotional onslaught against the foreigners.

In its reliance on the Government, the Company did not

appreciate that the Persians were prepared to return to the sterile fields of poverty for a principle of conscience. Oil was hard-won with the boundless energy of the Company, but the benefits it returned to Iran were belittled in comparison with the fortune it attained overseas.

Persian governments tried to extend the liability of the Company for the welfare of the Persian people with the argument that had the Company not come to Iran, there would have been none of the social problems which the big enterprise posed.

The Persian side of the looking-glass reflected that every road and bridge the Company had built contributed mainly to the flow of oil, that every school fitted Persians to work for British industry, that thousands of workers would live in unhealthy houses while the Company dredged unceasingly for labour, and that the Company paid the highest salaries and wages in the country to keep its workers loyal only to the business of oil production.

It was a narrow, but not distorted picture, which encouraged governments to believe that the Company could be compelled to accept philanthropically the responsibility for sustaining the whole of an impoverished nation.

The Company counter-claimed that the Persian governments received such substantial oil royalties and tax payments they could afford to establish better standards for the people. The Company contended that Iranian governments pretended a cloak of pauperdom to conceal inefficiency and corruption which prevented the nation being self-supporting.

But the Company did not voice its objections loudly, for it was anxious neither to offend nor embarrass the governments. It preferred to wait quietly for the cycle of civil rebellion to unearth a strong leader who would knock back those malcontents, whose object was to impede the Company's business of oil exploitation.

CHAPTER THREE

NOTE from His Majesty's Ambassador at Tehran to the Persian Prime Minister (General Ali Razmara), dated 23rd February, 1951:

"Your Excellency,

"The situation in connection with the Supplemental Oil Agreement has attracted the attention of the British House of Commons, and a question was asked on the subject on 21st February. The reply was to the effect that the British Government cannot remain indifferent to the affairs of so important an industrial undertaking as the Anglo-Iranian Oil Company, and it will be noted that attention was drawn to the fact that the Supplemental Agreement had only been discussed in Iran in general terms.

"In view of the fact that His Majesty's Government have now been obliged to take official cognizance of this matter, I feel that I should warn your Excellency that there are certain aspects of Anglo-Iranian relations which have been causing considerable concern.

"2. There has been a good deal of criticism in Iran of the Western Powers, including the United Kingdom, for not having provided the post-war help to which Iran felt that she had a right.

"So far as financial help is concerned, it seems to have been forgotten that the British Government has paid £8½ million for usage of the Iranian railway system during the war, and that the British Government were quite as anxious as the

Iranian Government to support an increase in royalty rates for oil, which would correspond in a just and reasonable manner to the post-war conditions of the oil industry in Iran.

"The resulting agreement would not only have brought the Iranian Government a lump sum of over £40 million, but would have secured an income in good years from royalties and participation amounting to something like £30 million sterling. It is certainly the fault neither of the British Government nor of the Anglo-Iranian Oil Company that this agreement, which was more advantageous than any other in the Middle East, was not brought into effect.

"Nevertheless, owing to the difficulties in which the Iranian Government found themselves as a result of the non-ratification of the Oil Agreement, the British Government last summer offered a loan, and after the withdrawal of the Supplemental Agreement from the Majlis, the Oil Company itself arranged for payments on account of royalties amounting to £28½ million during 1951, as well as agreeing to deposit £10,000,000 sterling with the Bank Melli in order to assist the Iranian Government with its proposal to increase the note issue.

"Furthermore, the Company have expressed their willingness to examine an arrangement on a 50-50 basis, comparable with that recently reached in Saudi Arabia.

"3. None of these gestures with regard to oil or a loan have been made public, and a state of public opinion has been allowed to grow up which has been hostile to the Oil Company, and as a corollary, to Great Britain. Nor has the Iranian Government taken any steps to impede this development.

"A situation has accordingly been allowed to arise in which the Government is faced with a political demand for nationalization of oil, supported by organized, anti-Oil Company demonstrations, the propaganda of which is founded on misrepresentation and ignorance.

"4. This state of affairs, combined with the menacing

financial situation of the country, has led to a crisis when it is necessary in the interests of Anglo-Iranian relations, as well as of the safety and progress of Iran itself, that measures should be taken to instruct public opinion. It can scarcely be expected that the British Government can countenance a campaign in favour of nationalization of the oil industry in defiance of the country's contractual obligations.

"Apart from the practical impossibility of anything of the sort, it is inadmissible that the efforts both of His Majesty's Government and of the Oil Company to assist Iran should not only be ignored, but should be turned to the disadvantage of both.

"I feel, therefore, that the time has come when a strong line of conduct should be adopted by the Iranian Government in order to explain what has already been done to help Iran, and to make sure that future discussions on the subject of oil should be conducted in a reasonable spirit and in full knowledge of the facts.

"5. I fear that the apparent willingness of Iranians to permit themselves uninstructed criticism both of the Oil Company and of Great Britain, is founded on past prejudices which take no account of the immense service to mankind in general of the British people in recent times.

"It is, to my mind, most regrettable that public opinion in Iran should, as is apparently the case, cling to the out-of-date conception of England as a Power anxious to impose imperialism and colonialism wherever it can.

"Such an attitude not only takes no account of the achievements of the British Empire and Commonwealth of Nations in recent years, but furthers the designs of those who wish to spread suspicion and dislike of the free nations.

"6. I venture to write you this letter, because I feel that, as I have said above, a critical moment has arrived, and that only strong action to instruct public opinion in such a manner as to draw attention of the country to the critical situation can bring about a solution."

The British Ambassador to Tehran was Sir Francis Shepherd. The Embassy was situated behind a high stone wall bordering spacious grounds planted with English trees. The main gates opened on to Ferdowsi Street, a long road named in honour of one of Persia's most revered poets, whose statue faced the road above the shops and kerbside stalls.

Ferdowsi Square, where the road began, at the junction of Ferdowsi Street and the main highway of Tehran, Reza Shah, was the rallying-point for the processions of political demonstrators. They marched from this gathering-place directly under the Ferdowsi statue, to the Majlis, about two miles from the crossroads.

The Ritz Hotel, the refuge of many British and American news correspondents, overlooked the square, and its pink façade dominated the street. At the north end there were the offices of British commercial firms, and a Persian shopping centre, but the most imposing building was the modern Bank Melli, the National Bank of Iran, where money changers inside the building offered high black-market rates for British sterling currency, before customers could reach the tellers behind the counters.

By night, the street was shrouded in a dismal half-light, the lamps miserably fed from the uncertain current of Tehran's power supply.

The street stretched for about two miles; after it left the European section it ran into the square, Maidun Sepah, where the dingy grey Post and Telegraph building contrasted inelegantly with the decorative, blue mosaic front of the British Bank of Iran and the Middle East. Behind the Post Office, roads led to the jungle of Persian Government departments and offices, and a dowdy labyrinth of houses and shops of the lower-class Persian workers.

The note from Sir Francis Shepherd, and the advice of Persian Cabinet counsellors, prompted Prime Minister Razmara to declare that Persia was not sufficiently mature by modern ratings to proceed with the nationalization pro-

posals. His honest statement, which contradicted the arguments of conniving Dr Mossadiq and his National Front adherents, brought him death the following week.

On 8th March, the date after the assassination of Razmara, the Majlis granted the Special Oil Commission an extension of two months to study the oil nationalization scheme. In accepting a resolution from the Commission, the House determined not to veer from the principle of nationalization. This resolution, presented by the Commission, was:

"In the name of the prosperity of the Persian nation, and with a view to helping secure world peace, we, the undersigned (the Commission) propose that the oil industry of Persia be declared as nationalized throughout all regions of the country without exception; that is to say, all operations for exploration, exploitation and extraction shall be in the hands of the Government."

This decision was an overwhelming endorsement of Mossadiq's hopes, and an unchallengeable victory for the nationalizers. Satisfied their course was sure, the Commission settled to its two-month's survey to find practical means of nationalizing the industry.

Moderates in Parliament hushed their doubts, and many preferred not to attend Majlis sessions, pleading that the main work of the term had been completed. Then there was the problem of the appointment of a new Prime Minister, to succeed Razmara. Politicians who might have been candidates once became unsurprisingly reticent in considering the choice.

The Shah eventually asked moderate leader Hosain Ala to form a new government, but Ala declined, saying his health was not strong enough. But the Shah persisted, and, reluctantly, Hosain Ala picked his Cabinet, deftly trying to balance the forces of action against the smooth temper of the liberals.

Ala soon met his first trial in the oil issue. On 14th March, Sir Francis Shepherd sent another note, similar to the one he had written to Razmara, but stressing the provision for

arbitration in oil disputes specified in Article 22 of the 1933 Concession.

With Mossadiq glowering at him from the front benches, and Kashani menacingly tapping his staff in the dark bazaar behind, Ala unhesitatingly affirmed his belief and support for the principle of oil nationalization; and the extremists relaxed.

After Ala's declaration, the Senate, with only twenty-six of its sixty members present, confirmed the Majlis' approval of the oil nationalization resolution.

Nowruz ended; the ground was flushed with the life of the fresh season, but in the image of the New Year was the vision of distorted loyalty, portrayed by dissidents, and hung full-length over Persia.

The holidays had given the people time to listen keenly to the trouble-makers. The religious festivals had stimulated their emotions. They were ready to believe arguments, pitched with irrefutable dynamism, that the people would be better off under Persian management of the oil industry, and that foreign control should be expelled.

Fervent disciples of the exorcists were the Persian journalists, who wrote an exaggerated, undammed spate of malice against the British. Persian news sheets and pamphlets accused Company officials of spying against Persia in favour of British "Imperialism", or trying to bribe members of the Iranian Parliament, and attempting to undermine the prestige of the Shah.

They reviled Persians who wanted to stay in the service of the Company, called them traitors, and threatened them with death.

Cartoonists lampooned the symbol of the mighty British lion, by showing it fallen with Persians twisting its tail, or caricatured the Company by depicting Persians crippled, bleeding or dead under the flag of the skull and crossbones.

Britain was ridiculed as being a country of usurious merchant adventurers, while the Company was a bloodthirsty callous pirate.

Persian editors stemmed the Company's conciliatory attempts at counter-propaganda by refusing to print the terms of the negotiations. Editors who published accounts of the Company's benefits to Iran, and so, by implication, were not whole-hearted nationalists, received anonymous letters scrawled in red to simulate blood, warning them that they were placing their lives in danger.

They were inviting the young, unruly wreckers who would fling their newspapers into the dirty waters of the djoubes, destroy the presses and leave the printing offices derelict.

Scheming Dr Mohammed Mossadiq was the political surgeon who reassembled the scrawny skeleton of nationalization from its eighteen-year-old grave; scourging religious mullah Kashani created a soul as sour as his own for it; flamboyant Hussein Makki was the dresser who attached the attractive draperies, and animated the new toy everyone loved to play with.

Hussein Makki was the standard-bearer of nationalization. He had been one of the first deputies in the Majlis to endorse Mossadiq's nationalization plans, and the statesman had rewarded this favour by having the junior deputy elevated to the ardent realm which comprised the Oil Commission.

Kashani led them in the mosques, and Makki in the alleys; the Persian people could not escape the pervading insistence of the nationalization theme. Once a sergeant in the Persian Army, Makki as a politician achieved generalship in the esteem of the people, vaunting his blood-letting crusade of deliverance.

Makki, in his harangues from a wooden platform prepared in the bazaar, or perched on the corner posts of a building, in street demonstrations gestured with reckless disregard of overbalancing to inspire mobs to his peak of enthusiasm. His long, swarthy face was furrowed with deep wrinkles, and his hands waved in the air like wings of a humming-bird to describe the freedom Iran would enjoy when the country was rid of foreigners. Bony knuckles

clenched to represent the cracking of the alien grip, his fists, hammered imaginary walls to show the battering foreigners, should receive.

In a voice, so high-pitched and tremulous when excited that he seemed to be singing, he denounced to the horizons of Iran the activities of the British Government and the Company.

Iranian rabble lived only to obey his commands, and died for his ideals. Under the protection of Mossadiq and Kashani, Makki was secure from police or military arrest for the disorders he caused. Poets composed long, zealous odes comparing him with conquistadors of old; hundreds of sheep, goats, cattle, and camels were sacrificed to his honour.

Hussein Makki was not a Communist. Like most Persians, he believed that Britain and Russia were natural enemies of Persia, and all other nations were "neutrals", who automatically would subscribe their aid to Persia. But he dallied freely with Communists while sponsoring the aims of independence, and found their company congenial in thwarting the British.

Although Hosain Ala had approved the principle of oil nationalization, the British Government hoped that his shaky Government would strengthen, and divert the country from its biased intentions. Using money as a firm hint that it was ready to pay generously for its lease of Iranian oil, the Company in March, 1951, paid £2,000,000 to the Persian Treasury in advance royalties on an estimated total payment of £28,500,000 based on the 1949 Supplemental Agreement formula.

But Ala could not recede from his stand, and in a reply to the British Ambassador's letters, he wrote on 8th April further commitments to oil nationalization:

"The Imperial Iranian Government in its turn is very anxious to maintain and strengthen friendly relations and mutual confidence in all matters between the peoples and Governments of Iran and Britain.

"As for the question of oil, as your Excellency is aware, the Iranian Government's business is with the Anglo-Iranian Oil Company, and that Company has not raised the matter, nor made any statements.

"However, since you have seen fit to enter on this question, I consider it necessary not to leave your Excellency's note unanswered, and the following points must therefore be mentioned:

"(i) In spite of the changes that have taken place in the world situation in general, and in the social life and public opinion in Iran in particular, and in spite of the statement made to your Excellency on 8th June, 1950, when I was Minister for Foreign Affairs (that Persia should receive more generous treatment from the Anglo-Iranian Oil Company than that offered by the Supplemental Agreement), the Company paid no attention to the justified claims of Iran, and declared the draft Supplemental Agreement to be their maximum possible limit of concession, although events had made it clear that public opinion in this country did not consider that Bill as sufficiently assuring the rights of the Iranian people.

"(ii) As you know, the present position is that both Houses of the Majlis have unanimously accepted the principle of nationalisation of the oil industry, and the Special Oil Commission is now studying how to put that principle into practice, in order to submit its proposals to both Houses of the Majlis for final decision.

"At present, the Government's only obligation is to await the result of the Commission's deliberations."

At least thirty of the agitators in the oilfields were Communists, members of the banned but very alert underground Tudeh (People's) Party. The agitators slipped subversive leaflets under the doorways of Persian workers, accusing the Prime Minister of being secretly in the pay of the British. They nailed derogatory propaganda notices to the walls, and broadcast through portable loudspeakers from street corners when there were no police to stop them.

Their tactics were to overthrow the Persian Government as much as to harass the British. Prime Minister Ala knew that unless he could suppress the revolutionaries masquerading as patriots, they could gain control of the country in the shock of revolt, unsaddle the Government and sweep away the Constitution.

The Communist nucleus was most thriving at Agha Jari, with live offshoots at Masjid-i-Sulaiman, Abadan and Bandar Mashur, which was administered from Abadan. Trouble-makers had sprung strikes at Agha Jari in other years since the war, but prompt action by the Company and the Government had settled claims which workers had advanced.

At Agha Jari, about 250 British men, women and children were living among 5,800 Persian workers, in a field which had been difficult to develop and maintain because of its aridity and remoteness across the desert.

On the soggy saltlands of Bandar Mashur, where tankers loaded 5,800,000 tons of crude oil a year, 104 British staff had made their homes among 4,200 Persian workers.

Iranian workers had received pay allowances above their wages in compensation for hardships while the oilfield and the port were being established. At the end of 1950, the Company decided that the services and amenities had improved sufficiently to discontinue the subsidy.

Four months before the Nowruz holidays, the Company had told the workers of the decision to reduce the allowances, through the joint labour-management committees and the Persian Ministry of Labour. The attitude of the workers had not hinted at any impending resentment, but that was before the trouble-makers had come to the oilfields.

From 20th March, Fields workmen began refusing to go to their jobs. They complained, through representatives, of the allowance cuts, and told the Company they would stay on strike until the bonus payments were restored.

The Company replied that the men had known, and accepted the decision without objection.

On 24th March, 240 technical and commercial apprentices at the Company's technical training institute at Abadan walked out of their classes. They presented a variety of demands; one of the main requests was that examination pass marks should be reduced from fifty per cent. to thirty per cent.

The Company thought the grievances of the labourers and apprentices were merely domestic grumblings, not dissimilar to disagreements heard in other years. A few days' loss of pay would induce the workers back to their departments, and the apprentices to their studies.

The Tehran Government recognized immediately the dangerous prelude. Martial law, already enforced after recent riots in Tehran, was extended to Khuzistan Province.

A Government proclamation, signed by the military governor of Abadan, Colonel Adbul Hamced Zellie, was circulated through the refinery and oilfields. It read:

"The people of Abadan are hereby notified that, according to the decree of the Council of Ministers which has been announced through the Governor-General of Khuzistan, martial law shall be enforced in Abadan and its suburbs from 27th March, and all provisions of martial law shall be effective as from 8 a.m. to-day (26th March).

"Having been appointed military governor of Abadan and the suburbs by order of the commander of the Southern Navy, I expect that all honourable inhabitants of Abadan will fully observe the provisions of martial law, and will co-operate with the disciplinary forces in order to assure public peace and tranquillity."

Colonel Zellie also ordered a stringent curfew to check the movements of the people at night.

The "disciplinary forces" were the civil police, now issued with rifles for the constabulary, and revolvers and pistols for their officers, Persian Army soldiers and Persian Navy marines. In Tehran, similar forces had resolutely resisted

mobs in riots and demonstrations, but in Khuzistan their strength was inadequate to guard the whole province.

The supreme commander of Abadan was Admiral Shahin, Commander of the Persian Navy. A fleet of three gunboats presented to Iran by Britain after the war, a sloop and a few launches large enough to be classed as motor torpedo boats, anchored in the Karun River, opposite the shipping port of Khorramshahr, and close by the junction of the Karun and Shatt-el-Arab Rivers.

The marines, whose officers had been trained by the navies of Britain and France, drilled efficiently, and were equipped with automatic rifles.

Persian soldiers rarely appeared outside the bazaars of Ahwaz and Abadan, except on patrols to the hills to curb excitable tribesmen who wanted to march on Tehran each time the Government collected taxes, or who enlarged their estates by lopping off their neighbours' heads, and claiming their lands.

Military training was compulsory, and troops learned to march in goose-step, fire rifles, and follow their officers in the fundamentals of infantry warfare. The few, obsolete tanks and armoured cars of the Army were mostly in the north, adjacent to the Russian border, or in Tehran.

The Moslem cemetery in the Iranian quarter of Abadan was a popular meeting-place for the agitators' demonstrations. At dusk, crowds of 30,000 or 40,000 massed among the graveyard headstones, or thronged the surrounding brick wall, to hear the Communists shouting, "Sweep the British into the sea!"

Trouble-rousers avoided arrest by hiding in the crowds when police and troops arrived to disperse the gatherings.

There were daylight attacks by terrorists on bicycles, who hurled stones at British cars and bungalows. They tore up Company and Government notices appealing to the strikers to return to their jobs, and plastered their own slogans on walls—"Free Persia! Throw the British out!"

Strike pickets posted outside the refinery gates stopped Iranian workmen reporting for duty. To confuse the authorities, pickets complained they could not go to work because other men were stopping them. They would point to an innocent workman, and accuse him of being a strike picket; the police would arrest the man and hold him, sometimes for hours, until he could prove his innocence.

Workers who tried to break through were punched, kicked and robbed. Cyclists were knocked off their machines, and Company buses carrying workers were waylaid. House servants and car drivers were warned not to approach the British bungalows.

Trainee-apprentices were insolent to British instructors, and students tried to stop teachers entering the training institute. Many classrooms were empty.

At Masjid-i-Sulaiman, Persian garage hands joined with the Agha Jari strikers, and began picketing other establishments.

To restore order, and escort workers to their jobs, the Persian Government rushed more troops, police and a few tanks and armoured cars into Khuzistan Province.

While Persian workers reported intimidation and terrorism increasing, the British staff heard little news from the Company whose English and Persian-language newspapers barely mentioned the strikes.

The Company printed its newspapers every day except Friday, and 5,000 copies of an illustrated weekly magazine in Persian. But the Persian officials were suspicious of the publications, and the Company was afraid of the papers being suppressed for carrying pro-Company, or anti-Government, propaganda.

Every report was censored and approved by Drake or Ross, to guard against interpretations which might seem to criticize adversely the efficiency of the Persian Government or defence authorities.

The extent of the troubles was kept hidden, for the Com-

pany was holding to its policy of not offending or embarrassing the Government and local officials. But the Company realized the seriousness of the outburst, by agreeing within a few days to discuss the students' complaints, and in assisting a three-man commission appointed by the Iranian Government to investigate the strikes.

All the oilmen heard from the Company after a week of strikes was this notice, which appeared, signed by Eric Drake in the English-language *Abadan Daily News*:

"A number of workers have failed to report for duty at Bandar Mashur and Agha Jari.

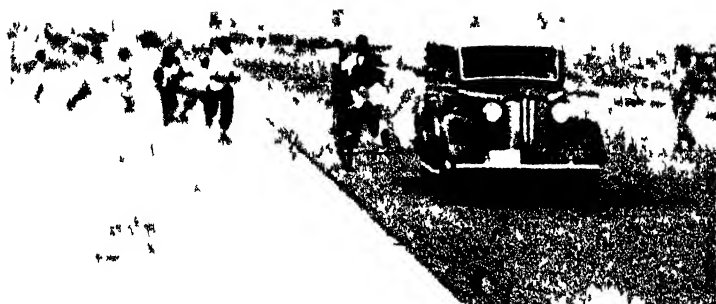
"The Company has always been willing to discuss with duly accredited representatives of Labour, in the presence of Government representatives, any grievance which they have.

"However, as the Labour Law does not permit strikes, without prior negotiations between the employers and workers, and whereas the Company has always acted in strict accordance with the provisions of the Labour Law, it now invites workers to resume work so as to enable joint negotiations to commence between employers and the workers' representatives."

This calm "invitation" to resume work failed to solve the dispute. Instead, it instilled a false confidence among many British oil families that the disorders would soon dissolve. Radio news bulletins and British newspapers which arrived by the weekly airmails, angered them. They accused British correspondents of sending stories which were "sensational, and alarming to families in Britain".

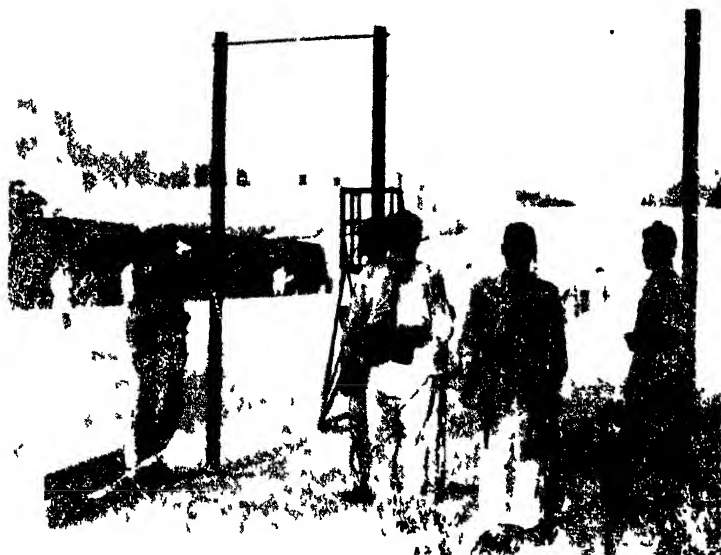
These families were like marchers in a procession, who, while keeping step, could not see the parade. They could not understand that these accounts were in a perspective which they were too close to perceive.

Agha Jari strikers, demanding the right to operate their own transport instead of paying fares on the Company services, threatened to seize the Company buses. Persian troops broke up meetings, and arrested two agitators.



11

ALADAN OFFER IN A COMPANY TAXI DISTRIBUTING TRACTS
 BEING STRIKES TO RETURN TO WORK DURING THE ARKHOIS



11

1. TAN ERGOT 2. N. AN. 3. HILL BRUSH 4. HUN
 5. TAN JUN 6. K. 7. C. A. H. 8.



Black Star - Rem. Camera

BAHMLASHIR BRIDGE, CONTROL POINT FOR OIL FROM FIELDS INTO THE REFINERY.



U.S. - 1936, 36'

THE HEAVY-CONTROLLED MOBILE CANAL, WHICH FERTILIZER
ANYONE CAN BE USED TO ENLARGE THE CANAL TO APPROXIMATE

More soldiers and police were being sent from northern Iran, and the Government's three-man commission was on its way to Abadan by the first week of April, when 12,000 Iranians were refusing to work. Students who had quitted the classrooms in March returned on 1st April; though that afternoon 600 apprentices left the training shops and defied the instructions of the Persian authorities to return.

The drop in the oil flow from Agha Jari brought a five per cent. decrease in the refinery output. British technicians worked longer hours; almost all the staff had to do some of the jobs formerly relegated to Persian labour.

On 5th April, the mail delivery brought a crudely-scrawled letter, posted in Ahwaz, to Leslie Thornton, head of the printing works. It was terse. "Your life will be finished in seven days," he read. "Six Sons of Fidayani Islam," signed the note.

Thornton was the only European continuously at the printing shop, situated in the centre of the Persian area, about a mile from the refinery. The Persians had placed no police or military guards around the building. But he was certain his Indian, Armenian and Iranian printers were trustworthy.

Each day, belligerent trouble-makers peered through the windows, and jibed at the staff inside preparing the new papers and proclamations. In a riot, he would be a casualty, and probably forgotten in the turmoil.

"Then don't go to the printing shop for a week or two," his wife, Gladys, had said when he showed her the letter. But Thornton passed the threat to Walter John Turner, head of the General Department, who sent it to Ross.

"K.P." discussed the letter with Drake, and they agreed to ask the Persians to provide a guard for the printing works. They told Thornton they thought the letter was "scare propaganda". No other British oilmen had received any threats.

Thornton the military governor promised a guard for the

works, none came, and, in uneasy tension, Thornton worked on.

On the sixth morning, Turner phoned Thornton.

"We've decided you'd better take your wife to Baghdad, just in case there's trouble," Turner said. "There's a Company plane leaving this afternoon."

They flew on it.

Less than twenty-four hours later, Persian mobs in Abadan had overrun the troops, attacked the British installations and killed three British—it was the seventh day since Thornton had received the warning; it was "Black Thursday", 12th April.

The warm, languid afternoon of 12th April seemed the ordinary, summer week-end holiday, when all but the essential refinery departments closed. Oilmen and their families were drowsing, playing golf, swimming, sailing on the river, tending their gardens, or shopping in the bazaar.

But there was no serenity in the home of K. B. Ross. Khalil Kazerooni, staff personnel manager in Abadan, and one of the Company's senior executives, had just told "K.B." of the unbridled demonstrations by rioters around the apprentices' hostel at Bahmanshir. Troops had fallen back, unable to repel the rabble now advancing towards the British homes.

It was impossible to guess where all the British families might be. "K.B." called over neighbour Walter John Turner.

"Your wife and mine must take all the women and children from here into bungalows further back," Ross ordered. Although they could group the British families in the Braim area, nothing could be done for those on the Bawarda estate, south of the refinery, and isolated by the stream of Persians.

The riots of 12th April had begun at Bandar Mashur that morning. A thousand rioters, pushing women and children in front of the mob, and yelling, "We're going to sweep the British out!" had marched towards the tanker-loading jetties.

They refused to stop at the order of the troops; soldiers fired their rifles, and the crowd turned on the security forces.

The troops soon beat off the attackers. In their retreat, the rioters left fourteen wounded, and two women dead.

Since dawn, Communists at Abadan had been inciting young and old workers at the Abadan apprentices' hostel, undeterred by the 500 Persian soldiers patrolling outside the building.

When, in a few hours, at least 5,000 Persians had gathered in a wild-eyed, frantic session of stamping and screaming, the Abadan military governor ordered the troops to smash the meeting. As troops broke in, impassioned demonstrators implored the soldiers to join them in a festival of carnage among the British property.

But the troops, ignoring the pleas, fired into the throng, and killed two Persians. Ring-leaders of the strife seized the bodies, and hustled them forward in a muster of hate-crazed, whooping rioters.

Gathering supporters from dwellers in houses and shops nearby, the mob, now totalling about 10,000, split. One half swung to wreck Braim; the other to kill and wreck around the loading facilities and homes at Bawarda.

The disorganized troops, unable to contain the force of the mobs, tried to cordon off the bazaar. Cheer-leading agitators brandished the bodies in front of the howling masses, who screamed for revenge. Thousands more Persians swooped in, converts to the frenzy.

A terrified storekeeper slammed the shutters and pushed two oilmen, Durham and Gordon McGowan, from his shop as the Bawarda-bound mob swarmed into the bazaar. An oilman, who had been shopping with his wife, halted his car while a furious mob raced to surround the vehicle.

Rioters tried to haul out the oilman and his wife as Durham and McGowan wrenched at the car door handles. Durham scrambled into a rear seat, but the Persians grabbed McGowan. With his wife half-dragged out of the car, the

oilman drove away, though it meant leaving McGowan to be mauled to death by the crowd.

A Persian doctor found another British oilman, Prentiss, battered and unconscious in the bazaar, and carried him to the surgery. That night, after refusing to hand the Briton to the Persian rioters, the doctor drove him to the Company hospital.

A British technician, his wife, their two children and a tanker skipper and his wife were in a car which was stoned and stopped by the rabble. While the women grappled to save the children, the Persians succeeded in scooping the skipper out of the car. The Briton drove off to save the other occupants; but the skipper, though stripped, beaten and robbed, survived to elude his captors and run to safety.

Terrorists urged the scavenging pack on to the modern Taj Cinema, where twenty-five British men, women and children were attending the afternoon show. Rioters stopped the film, stoned the cinema entrance, and charged along the aisles looking for British victims.

Persian troops spotted the mobsters, and after a stern bout of fighting, cleared the agitators from inside the cinema. A tight knot of soldiers barricaded the doors, and held the attackers off for five hours, with the British penned in darkness. They were released when Persian Army trucks arrived. Men crouched over women and children to protect them from bricks and stones, while the soldiers escorted them to Braim.

The demonstrators seized a Company bus in which a Persian nanny was travelling with two British children. The guardian hid the children under the bus, while the driver persuaded the mob not to overturn and burn the vehicle.

When the attackers had left, the driver took the children to his home, and arranged for a taxi-driver to return them to their parents. They arrived, scared but unharmed, late at night into the arms of their very distraught mother and father.

Not far from the Seamens' Institute at Bawarda, the crowd

discovered a British tug fireman, A. B. D. Gould. They leaped on him with sticks, and as he fell to the ground, jumped on him until he died.

The Company's shipping office was situated on one of the wide, tree-flanked main roads between the refinery and the Bawarda houses. From this building, British and Persian staffs organized the loading and sailing schedules of tankers; some of the British staff was on duty when the mob assailed the block.

The rioters were wantonly breaking windows and battering doors when an Army light tank crammed with soldiers roared along the street. An officer, pointing his pistol at the masses, ordered them back to the bazaar.

Slowly, nudged by compelling jabs from the soldiers' rifles, the leaders turned their forces from the shipping office, and headed, at last, away from British homes in Braim and Bawarda.

British oilmen racing to their homes were often stopped by troops before they could get to their bungalows. Worried they telephoned their homes from the houses of friends. Sometimes their wives were home; or there was the continuous, depressing buzzing, never answered, which left the men with the horrible imagination of what might be reality.

Private cars and Company taxis helped to evacuate many bungalows close to the scenes of the riots. Women, children and, inevitably, the household dogs, were bundled into the backs of cars and driven to houses far off from the troubles.

Few of the British men possessed firearms. Most of them grabbed garden shovels, axes and heavy tools. Toward dusk they listened behind locked doors and barred windows with greater confidence to fading, distant screams from the bazaar, and the diminishing rattle of rifle shots.

Late into the night, even after curfew hours, ministers of the Church of England, Presbyterian and Roman Catholic faiths soothed and comforted disquietened families, and prayed with them for peace.

CHAPTER FOUR

THE homes of Abadan encircled the giant, droning refinery, unceasingly awake, its persistent throb a lulling, pulsating melody of power.

Inside the iron-fenced compound, and rearing between the gleaming towers and spindly chimneys, three sulphurous flares which at night cast monstrous shadows, guttered perpetually, burning unwanted gases from the refined oil. The air was slightly sour, cloying and heavy with invisible fumes.

The pipelines met at the palm-fringed control point by the Bahmanshir River. Here the oils from the various fields could be mixed or kept separate as needed. Oil was the æons-old, cached inheritance of massive forces; in the refinery smashing pressures and temperatures revitalized its latent energies.

By white-hot furnaces, under snaking archways of steel tubes weaving grotesquely into towering cylinders, the technicians guided the processes through the complex sciences of refining.

Oil flowed from the control point to the distillation units, or "benches", where heat converted the crude oil into vapours containing the different products as "fractions". The fractions cooled in rising up the tall towers, and were distilled off at various levels.

Heavy bitumen and fuel oils condensed on the bottom layers of the towers, while at the top, pipes, known as "vapour lines" carried away kerosenes and crude motor

spirits. Each distillation unit had a capacity of 3,000,000 gallons a day.

Quantities of the light spirits from the ceiling of the "fractionating towers" passed to the "re-forming units", where more heat and pressure "cracked" the oil molecules, and released the components of higher-grade spirits, suitable for motor-car and light aircraft engines.

"Super-fractionation" of these products provided the high-octane aviation spirit, particularly valuable to fast fighter and bomber aircraft.

Technicians in control rooms checked carefully the movement of vapours in the pipes, for fine balances of heat and pressure were necessary to ensure a steady passage. Air was rigidly sealed out of the "vapour lines"; a minute air-leak into those volatile and inflammable vapours at these excessive heats could cause a devastating explosion.

Before the petroleum products were ready for distribution, they coursed through chemical "washeries" for the removal of impurities. Then they were pumped to shipping tankers at the sixteen loading jetties in the Shatt-el-Arab river, or packed in cans for consignment by cargo steamers.

The refinery "tank farm" stored only small quantities; the world was greedy in its demands, and no longer sipped oil, but gulped recklessly from its larders.

Notices in five languages declaring "No Smoking" bordered the one-and-a-half square mile perimeter of the refinery. Fire guards at entrances halted cars and trucks, and checked passengers for matches and cigarette lighters, which were forbidden inside the compound. The chugging locomotives which hauled heavy loads around the "benches" and workshops on a toy-train track were shaped like vacuum flasks, and driven by steam which they replenished every two hours from the refinery water boilers.

Refinery firemen, under British charge, maintained a vigilant supervision of the danger points.

All road transport in the compound was directed along

one-way streets to avoid congestion. The speed limit was fifteen miles an hour.

The main gates adjoined the wide-verandahed, double-storeyed refinery offices building, fronting the Shatt-el-Arab River. Behind the entrance loomed the black smokestacks of the electricity power house, which generated the supply to the refinery and the outside housing estates.

A small block of laboratories stood near the gates, where chemists tested the purity of the refinery products.

The Company had built a £5,000,000, new metal heart for the refinery, but it was destined never to beat. This unit was the "catalytic cracker", involving the most modern processes to produce greater quantities of high-grade spirits from the heavier oils which flowed off in the initial fractions.

The principle of this "cracker" was the use of a catalyst to aid and speed a chemical reaction in the oil vapours without itself undergoing any change.

Thirty American engineers had assisted the British in building this expensive, thirteen-storeyed unit. But the April strikes discouraged the Americans from staying in Abadan, and, at their own request, they departed from the oil city. British technicians finished the plant a few weeks later, but, after successful tests, the "cracker" was forced to close in synchronization with the remainder of the refinery.

The refinery bred auxiliary and ancillary services which clustered around the core like bacterial culture-growths.

The more important of the equipment and utilities included the wooden, box-shaped building to cool 12,000,000 gallons of water which circulated each day around the refinery processes, the sulphuric acid recovery plant used in the "washeries", the oxygen-manufacturing plant, the steam boilers, the workshops and yards stacked with cranes, concrete mixers, excavators and other heavy gear, the foundry where steel bars for construction jobs were made, and the ice factory, one of the most valuable amenities in summer.

Globular steel tanks ("Hortonspheres") seated on brick

pillars, and squat, round-topped tanks, some large enough to contain 4,700,000 gallons of oil products, were marshalled in orderly rows over the storage area known as the "tank farm".

A pumping station outside the refinery gates drew the water supply from the Shatt-el-Arab River. This station pumped 480 million gallons of water daily around the refinery, British and Persian Company housing areas, and the municipality, a distribution one-and-a-half times greater than the deliveries which circulate through mains operated by the London Metropolitan Water Board every twenty-four hours for use by the entire London population.

The largest shipping tankers could berth at the loading jetties, which stretched seawards about four miles from the refinery. Freighters called regularly to the general cargo and food storage wharves.

The Company maintained, with Persian and Iraqi labour, floating cranes and two floating docks in the Shatt-el-Arab. A fleet of river tugs, owned by the A.I.O.C. subsidiary, the British Tanker Company, assisted shipping in the river, and towed barges loaded with oil products to scattered Persian settlements along the Gulf, where there were neither road nor rail communications. Conveyor belts linked jetties and the packed oil department, which made the tin cans for oil products exported to remote ports of call around the world.

This extensive organization had its paradoxes. No lubricating oils were included in the vast flow of oil products. Plant to process these was installed in 1951, but broke down during tests, and was not repaired. All the transport and heavy machinery moved on imported oils.

Unless oilmen had access to the highly volatile spirits in the refinery processes, they had to buy imported cigarette lighter fluid from the Company or bazaar stores. They filled their car petrol tanks with motor fuel from pumps outside the refinery, where they paid the Persian Government tax on the benzine they produced.

Most of the British oil families lived in Braim, an area of tree-lined, wide roads which linked the huts of the first-year men, the bachelor flats and the bungalows of the married men. Powerful electric lights lit the streets at night, but their glare was broken into mellow beams by the borders of hedgerows and shrubs in decorative gardens.

The social centre for the oil families was the Central Block, with its large restaurant—supervised by the Company's catering superintendent, Briere Edney—library, lounge, where white-coated servants served drinks, billiards room, and a large room used for indoor badminton, roulette on casino nights, or as a warehouse for Persian carpet-sellers.

Below the Central Block was the Gymkhana Club, with a membership mainly of British staff who had been in Abadan more than two years, and a few senior Persians. An indoor hall was used for dances, concerts and performances by the Abadan orchestra which the oilmen had formed. For warm nights, there was the broad, open-air terrace where members met to listen to broadcasts of overseas news from the British Broadcasting Corporation.

Beside the club was the Braim open-air cinema, provided by the Company. Many of the films were screened in Abadan about a year after their release in Britain.

The Protestant British staff, and the few Christian Persians and Indians, worshipped at St Christopher's Church, where the Anglican minister, the Rev. D. A. C. Tyrie, or the Presbyterian minister, the Rev. John Birkbeck, officiated. When the Fields minister, the Rev. Stanley Cumpsty, was on leave, these ministers visited the oilfields regularly each week.

A Roman Catholic church, attended by the British and other nationalities, was headed by Father Borg, assisted by two Maltese priests.

St Christopher's Church hall was, on weekdays, a school-room for British children, with women teachers. Near

the school was the Company's information department.

The Riverside Guest House was the newest of the Company's buildings in Braim; work had begun on it in June, 1950, and it had been completed, except for the installation of air-cooling machines, in less than a year. Planned as a transit centre for oilmen, especially from Fields, with an income in excess of £1,200 a year, and a hostel for visitors, it soon became an evacuees' clearing station. Mr and Mrs A. G. V. Flavell were the managers of the establishment.

The Company provided two other types of accommodation for the staff. First-year men usually lived in single rooms in rather cramped barrack-like hutments under palm trees, in the Braim area known as Palm Grove.

Houses were allotted on a points system, regulated by length of service and pay. After the men had accumulated sufficient points, normally at the completion of a year's service, they moved to one or two-roomed flats. Married men had preference for houses, but rarely were able to bring their wives to Abadan in less than three years.

Several British families lived in the Bawarda area, by the tanker quays. But this area was predominantly Persian, with large, two-storeyed houses for the senior staff, and the smaller bungalows for other salaried men.

Converted war-time Nissen huts were provided for bachelor Iranians. Sandwiched between these extremes were the Company's residential estates for Persian workers, in the suburbs of Bahar, Ferahabad and Bahmanshir. Of the 30,000 workers, only about one-sixth were in Company-built houses. The Company paid special allowances to workers in temporary accommodation, or in the rack-rented rooms in the municipality.

Capital and enterprise, backed by demand, had achieved the masterpiece of the great refinery; in remedying its slums, the shabby camp-followers of the industry, the Company showed conscientiousness and humanitarianism, but lacked the initiative due to its responsibility. The refinery was flour-

ishing, to the sacrifice of other building; discontent spawned vigorously in the muck-heap of poor living.

The agitators prodded the jealousies of the workers. "Why should the British rob you of this luxury?" the trouble-makers cried, gesturing toward the British homes.

Such cries had inflamed the mobs now lamenting their dead, weeping over the bodies which the rioters had snatched back to the sanctuary of the apprentices' hostel. A thin thread of soldiers had cordoned Braim and the bazaar, but there were not enough troops to patrol Bawarda, where in the evening light of that "Black Thursday" of terror, the Communists led a long procession to the Persian cemetery for another demonstration.

Agitators at the meeting raged for the immediate nationalization of the Anglo-Iranian Oil Company, and of the oil installations at Bahrein—for, traditionally, Persia had refused to recognize the independent sovereignty of that Sheikdom, or its alliances with Britain. They shouted for the abolition of martial law, and freedom of all political parties—which would enable the Communists to revive openly the Tudeh Party. They demanded Government financial aid for the strikers, in the hope of a subsidy which would prolong the troubles.

Troops from the military governor's headquarters circled the cemetery, and ordered the crowd to leave. Two trouble-makers were arrested while prevailing on the people to mob the soldiers.

In the British church, Padre Tyrie had held a five o'clock service, but his congregation that Sunday comprised only men. His Sunday School that afternoon had numbered three children, who lived in houses adjoining the little church.

After an uneasy week-end, some of the families began returning to their bungalows. They were reassured by the arrival of more troops and tanks that the rioters would be subdued, and that their presence would deter demonstrators from acting in revolt.

The Iranian Government had recalled Colonel Zellie to Tehran, and a new military governor, Brigadier Kamal, commanded the security forces. Observing the quieter attitude of the people, Military Governor Kamal ordered the soldiers to remove the bodies which the rioters had retained in the apprentices' hostel.

Fanatics leaped from windows and through doorways to stop the troops, and grab their rifles. One "passive resister" jumped in front of an armoured car, but the driver swung clear sharply, though the wheels crushed the man's legs.

Abadan became a fortified garrison, with nests of machine guns and tanks surrounding the British homes at Braim, though there were still insufficient forces to patrol Bawarda. Hoodlum youths on bicycles evaded the soldiers, and raced past British homes in both suburbs, yelling threats to the families, and trying to push British men and women off the footpaths.

British women who forayed into the bazaar had their handbags snatched by thieves who ran out of side streets. Servants sent to the shops for food, vanished, to appear days later in hospital with broken arms and legs.

At Khorramshahr, the British Consul, Major Charles Francis Capper, discussed with Drake and Ross plans for an emergency evacuation to Basra of all the oilmen and their families if the troops failed to curb the trouble-makers. Wardens were appointed among the oilmen to spread news of the Company's decisions, and of events in the oil city, for the newspaper presses had stopped.

But, early in the week 2,659 strikers at Agha Jari reported for work, though 2,200 at Bandar Mashur remained out, in defiance of leaflets, dropped by a Persian Army plane, in which the Government urged them to go back to their jobs.

Pickets at the Abadan refinery intensified their attacks on Persians who tried to go through the gates. But the troops, at Kamal's direction, were arresting more of the trouble-makers.

In swoops round Persian dwellings, soldiers confiscated photographs of the bodies which had been lying at the hostel, packages of anti-Company propaganda pamphlets, and occasionally discovered sticks of explosives stolen from Company stocks, and intended by malcontents for use as bombs.

Though the British oilmen were working twelve-hour shifts to make up for the loss of thousands of Persians, refinery output had fallen to 4,500,000 gallons a day, about a quarter of its daily capacity. Only one tanker was loading while others lay idle at their berths.

British men kept the bakehouses working, and delivered ice supplies to British homes, while technicians maintained the water and electricity services at their usual rate.

By the end of the week, more bazaar stallholders were cautiously opening their shops, under the guard of Iranian troops:

The company's printing manager, Leslie Thornton, who had returned to Abadan three days after the outbreak of riots, superintended the publication again of the English and Persian papers.

The summer leave break was beginning for many families, but the Company gave priority to wives, whose husbands were remaining, on the planes to Britain. One of the passengers in an early batch from the distressed oil city was Mrs Gordon McGowan, with her young daughter.

A few days after the riots, the oilmen who had heard little information from the Company during the troubles, read this statement in their paper, issued by Eric Drake:

"This brief message on behalf of the directors of the Company and management in Iran is to convey the deepest sympathy and regret to relatives of those who have lost their lives in recent rioting in Abadan and Bandar Mashur.

"All the Company's employees and their families have suffered a great strain during recent days, and this strain may continue until law and order can be re-established.

"Meanwhile, I wish to express to you all in Fields and

Refineries areas, the profound admiration for your behaviour which is felt by the management, who are making constant representation to the authorities to restore law and order, and thereby avoid further bloodshed.

"Please do your best to remain as calm as you have so splendidly done during these past few weeks, and rest assured that everything possible is being done for your welfare."

The reluctance of many Persians to return to their work was fading. Soldiers had arrested sixty apprentices for holding seditious meetings, and the ring-leading agitators had slunk into cover.

After a conference between Drake and Shahbakhti, which Drake described as "a courtesy visit", the Governor-General promised to call more troops for Abadan and the oilfields.

Oilmen in speeding taxis toured Abadan streets distributing leaflets from the Company offering workers who returned to duty a thirty per cent. bonus above their wages. Troops arrested three of the British men, but they were released later at the order of the military governor.

With 21,000 workers on strike, oilfields production was slack, and the refinery barely maintained its dribbling output. Six hundred of the 2,000 students and apprentices at Abadan, who a week after the riots decided to resume their studies, were prevented by agitators.

But the arrest of many trouble-makers, and the assurance from Company officials that the A.I.O.C. would "consider" the workers' claims eased the unhappy tension among Persian workers. Ten days after the Thursday afternoon riots, a trickle of labourers reported at the labour offices in Fields for work. Next day, more followed them, and in Abadan there were indications that the agitators' hold on the masses had been broken.

Abadan had seen few visitors during the strife, but on 22nd April Colonel Guizonov, third secretary at the Russian Embassy in Tehran, and an Embassy companion flew to the

oil city. They stayed at the Khuzistan Hotel, a rickety, wooden building in the bazaar.

After a night stop, and secretive meetings with several Persians, they left next morning.

By the third week of April, it was clear to Company chiefs that the strike was ending. Picketing was waning, and though there were numerous undercurrents of agitation, troops and police were stemming open outbursts.

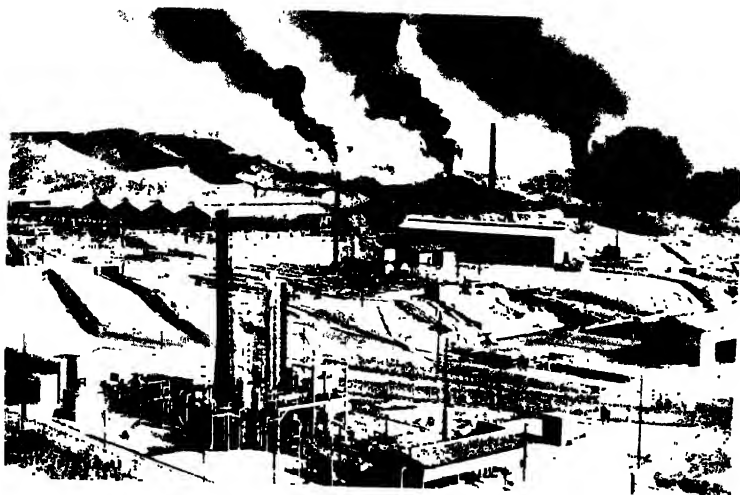
Two mullahs of Abadan signed a letter to Persian families advocating a rapid conclusion to the disturbances. The instant effect of this letter, which circulated around Abadan and Fields augmenting the proclamations of the Government and messages from the Company, was to speed the return of thousands of workers.

Oil flowed faster from Fields, and the refinery hastened to meet the output. On 25th April, with the normal throughput attained, and tankers loading again, Eric Drake announced that the strikes had ended.

Aware that the respite from disturbances might be temporary and that the Persian Government could not afford to maintain its over-garrisoned defences in Khuzistan Province indefinitely, the Company began hinting to the oilmen to send their wives and children from the area on Britain-bound aircraft. By quickening the departure of British staff whose turn it was for leave, and organizing additional passenger aircraft, the Company reduced the numbers of oilmen and families from the most troubled outposts.

The Abadan disturbances had prompted American interest, when United States oil companies felt that other countries might try to emulate the Persian initiative in sacking the Anglo-Iranian Oil Company. There was also the problem of finding alternative quantities of oil if the Persian output stopped.

George C. McGhee, United States assistant secretary of State had visited Tehran in March, and after talks with the American Ambassador, Dr Henry Grady, flew to London to meet the British Cabinet.



PERSIAN PANORAMA: A VIEW ACROSS A PRODUCTION UNIT AT
 AGHA JARI, THE LARGEST OILFIELD.



THE SCENE FROM A DISTANCE, BY SCOTT W. BRYAN, JR.



Continued

MOSLEM RELIGIOUS MULLAH, KASHANI AND BRITAIN'S LORD
PRIVY SEAL, SIR RICHARD STOKES DURING OIL NEGOTIATIONS
IN TEHRAN



Continued

5 MULLAH KASHANI

After discussions between McGhee and Mr Herbert Morrison, Britain's Secretary of State for Foreign Affairs in the Labour Government, it was announced in Washington that joint Anglo-American talks would be held there during April.

The British representatives at this conference were Sir Oliver Franks, British Ambassador in the United States, Mr Victor Butler, Under-Secretary for Fuel and Power and Mr Geoffrey Fulonge, head of the Eastern Department of the Foreign Office. The American delegates were McGhee, Mr Edwin Moline, United States chief of the State Department Oil-Producing Branch, and representatives of the American oil firms.

American oil companies feared that a cessation of Persian oil supplies would cause a serious world shortage, and many of those companies were buyers of crude oil and refined products from the Anglo-Iranian Oil Company. At this conference, the Government representatives of the two countries founded an emergency scheme of boosting production from other reserves which would obviate a world scarcity.

In Tehran, Dr Mossadiq averred "something sinister" was happening to nullify the nationalization resolution. Prime Minister Ala denied this, and asked Parliament for a vote of confidence, which he received overwhelmingly, with twenty-seven votes in favour, and one against.

On 26th April, the British Government submitted, through the Ambassador, an aide-memoire with three suggestions for settling the oil dispute:

"(a) The Anglo-Iranian Oil Company's Concession and its assets, except those referred to in (b) below, should be transferred to a new United Kingdom-registered company (which might be entitled 'The Southern Iranian Oil Company') on the board of which the Iranian Government would be adequately represented, and the profits of which would be shared equally between the Company and the Imperial Government.

“(b) The distribution of oil in Iran should be transferred on terms to be agreed, to an Iranian national oil company, which would be given full responsibility for this operation, and would receive the fullest co-operation from the A.I.O.C.

“(c) The agreement should provide for the implementation of the common desire to accelerate ‘Iranianization’ of the new Company’s operations, in order to facilitate the progressive replacement of non-Iranian employees by qualified Iranians.”

While hoping to inaugurate negotiations based on these proposals, the British Government added that there should be an exchange of notes between the governments on four points:

“(a) A statement of mutual goodwill and desire for fruitful co-operation.

“(b) A recognition by His Majesty’s Government of desire of the Imperial Government to assume in due time full control over Iran’s oil resources.

“(c) A consequent desire on the part of His Majesty’s Government to see the Imperial (Iranian) Government, by adaptation through mutual consent of the Company’s existing agreement, taking an increasing part in the Company’s operations in Iran, and obtaining an increased share of the benefits derived therefrom.

“(d) An understanding by the two Governments to consult together on all matters of importance or points of difficulty which may arise under the operation of the new agreement, in order to ensure the preservation of relations of mutual confidence and co-operation, which both desire.”

These proposals contained the broad innuendo that the Iranian Government should allow the Anglo-Iranian Oil Company to continue unmolested, with only an outward change of shape.

The prizes offered were a larger Persian representation on a board which would control distribution, and be nomin-

ally a Persian-nationalized institution, but with the suggestion that the Anglo-Iranian Oil Company would be the chief purchaser of the oil, and an increase in oil revenues, which would be substantially the amounts which the Persians would have received by the 1949 Supplemental Agreement.

The British offer was grounded on the belief that the Persians would soon find the plan acceptable to ensure receiving the payments so necessary to the Iranian economy. The proposals would, the British Government hoped, satisfy the Persian longing for nationalization by providing the distribution board with a veneer of Iranian ownership.

It did not take the Persians long to decide that the offer was not related to their ideas of nationalization. That evening, the Special Oil Commission wholeheartedly rejected the scheme by urging in Parliament the immediate nationalization of the oil industry, and the passing of the Oil Nationalization Law.

Hosain Ala felt the bridle of responsibility slipping from his grasp, and resigned with his Cabinet. Devotees of nationalization urged the Shah to appoint Dr Mossadiq to the premiership.

Many senators and deputies believed that Mossadiq would refuse the appointment. The ageing statesman, now more than seventy years old and weak from illness, was not a popular character in Iran. In his Parliamentary career, former lawyer Mossadiq had been Minister of Justice and Minister of Finance. Reza Shah had imprisoned him for subversive political activity. His National Front Party was a minority group in the Majlis with eight deputies out of a total of 130.

Yet it seemed a kindly gesture to tender the old man the honour of becoming Prime Minister. Meanwhile, moderate politicians cast about for a younger, less militant, candidate.

But on 28th April, Mossadiq startled the politicians by announcing he had accepted the Premiership. The Majlis,

after a ten-hour debate, confirmed his rank by a vote of seventy-nine in favour and twenty-one against, with eleven abstaining. In the Senate, Mossadiq gained twenty-nine votes from the forty-three senators present.

So, with a minority Parliamentary support, but with most of Persian opinion outside in his favour, Dr Mohammed Mossadiq attained the Prime Minister's vacant office.

"Since 1933, the Anglo-Iranian Oil Company has acted without an agreement. It must now give us an account of its income since then," Mossadiq declared.

On 29th April, when the Senate ratified the Oil Nationalization Law, Mossadiq, in tears, told the Majlis: "Praise God. Persia has regained her rights."

The Shah signed the decrees which gave effect to the Bill—popularly known as the Nine-Point Law—and newspapers, platform orators and Radio Tehran publicized it fully, so the people should know its terms. This decree of 1st May, 1951, read:

"By the Grace of Almighty God

"Pahlevi, Shahinshah of Persia

"hereby commands, by virtue of Article 27 of the Supplementary Constitutional Law that:

"Article 1. The Bill concerning the procedure for enforcement of the law concerning the nationalization of the oil industry throughout the country, which was approved by the Senate and the Majlis on 9th Urdibihist (April 30) and is hereto attached may be enforced.

"Article 2. The Council of Ministers are charged with the enforcement of this law."

The text of the Bill followed.

"Article 1. With a view to arranging the enforcement of the law of 24th and 29th Esfand (March 15 and 20, 1951) concerning the nationalization of the oil industry throughout Persia, a mixed board composed of five senators and five deputies elected by either of the two Houses, and of the Minister of Finance or his deputy, shall be formed.

"Article 2. The Government is bound to dispossess at once the former Anglo-Iranian Oil Company under the supervision of the mixed board. If the Company refuses to hand over at once on the grounds of existing claims on the Government, the Government can, by mutual agreement, deposit in the Bank Melli Iran, or in any other bank, up to twenty-five per cent. of current revenue from the oil after deduction of exploitation expenses in order to meet the probable claims of the Company.

"Article 3. The Government is bound to examine the rightful claims of the Government as well as the rightful claims of the Company, under the supervision of the mixed board, and to submit its suggestions to the two Houses of Parliament in order that the same may be implemented after approval by the two Houses.

"Article 4. Inasmuch as the nationalization of the oil industry was also approved by the Senate on 29th Esfand, and inasmuch as all income from oil and oil products are the established property of the Persian nation, the Government is bound to audit the Company's accounts under the supervision of the mixed board, which must also closely supervise exploitation as from the date of the implementation of this law until the appointment of an executive body.

"Article 5. The mixed board must draw up, as soon as possible, the statute of the National Oil Company, in which provision is to be made for the setting up of an executive body of experts, and must submit the same to the two Houses for approval.

"Article 6. For the gradual replacement of foreign experts by Persian experts, the mixed board is bound to draw up regulations for sending, after competitive examinations, a number of students each year to foreign countries to undertake study in the various branches of required knowledge, and gain experience in oil industries; the said regulations to be carried out by the Ministry of Education after the approval of the Council of Ministers. The expenses connected

with the study of such students shall be met out of oil revenues.

"Article 7. All purchasers of products derived from the wells taken back from the former Anglo-Iranian Oil Company can in future buy annually the same quantity of oil they used to buy annually from the Company, from the beginning of the Christian year 1948 up to 29th Esfand, at a reasonable international price. For any surplus quantity they shall have priority in the event of equal terms of purchase being offered.

"Article 8. All proposals formulated by the mixed board for the approval of the Majlis, and submission to the Majlis, must be sent to the Oil Commission.

"Article 9. The mixed board must finish its work within three months as from the date of approval of this law, and must submit the report of its activities to the Majlis in accordance with Article 8. In the event of requiring an extension it must apply, giving valid reasons, for such extension. Whilst, however, the extension is before the two Houses for approval, the mixed board can continue its functions."

CHAPTER FIVE

"MOSSADIQ'S face-saving!"

"My houseboy tells me the local naffars hate Mossadiq—but he's popular with the Tehranis."

"Who are they going to get to run this place if they kick us out?"

"You're working for the Persians now, old boy. . . ."

"They've got a bloody hope!"

Some jocular, some serious, the oilmen tried to resolve the confusion which nationalization had brought into their personal lives. But neither they, nor British diplomacy, fathomed the depths in which Persian hate was rooted. Arguments revealing the Company's achievements and benefits to modern Persia, advanced in subsequent, time-wasting weeks by British and United States mediators, were unavailing against these people whose history had been grounded on the continual fight for independence.

The Persians misinterpreted the efforts of the Western nations for appeasement, sometimes deliberately with prejudice toward Great Britain, and at other times because the pacifists could not penetrate to the nerve which would have aroused the sensitivity of the Persians to the peril of being an obdurate State with a lifelong enemy at their frontier.

Primitive peasants, unable to read or write, had imbibed deeply of the folklore of conquest which had founded their nation.

Shush, in south-west Persia, originally was Susa, capital

of the Biblical land of Elam and one of the oldest centres of the world. Under the Achæmenids (553–531 B.C.), when a prince of Persia, or Pars (now the district known as Fars) named Cyrus, and his successors, had mastered from their capital of Persepolis the whole of the known world, the Persian Empire had engulfed the Middle East.

Alexander the Great led his Greek forces in 331 B.C. to overthrow this Empire, but lost it soon after to the Parthians. The Sasanian kings wrested the territory from the Parthians in A.D. 226, and fought against the Roman and Byzantine Empires for four centuries.

The Muslim invasion of A.D. 637 broke the religious ties, but left the country united politically through the Abbasid period (A.D. 750–1258). This was the era of Persian literature and art of which modern Persians are so proud.

Turks and Mongols overran the country, destroying buildings and plundering treasures for yet another two centuries. Tamerlane, the great Tartar conqueror, added Persia to his Empire.

But in A.D. 1500, Shah Ismail founded the Persian Safavid dynasty, with a group of Turcoman tribes in Azerbaijan. This domain extended to the Afghan provinces, in spite of repeated wars against the Ottoman Turks.

Shah Abbas the Great, who rebuilt the city of Isfahan, was a contemporary of Queen Elizabeth and James I of Britain; his granting of permission to the East India Company to trade with Persia began Britain's long commercial association with the country.

In the eighteenth century the Afghan tribes repulsed the Safavid dynasty, and ruled until 1797 when a Qajar nobleman, Nadir Shah, expelled them. Nadir Shah then swept the Turks from western Persia and the Russians from the northern provinces they had invaded during the Afghan rule, and reunited the country, after an invasion of India.

Nadir was assassinated in 1747, and civil war kept the country divided for thirty-two years until Agha Mohammed

Khan, chief of the northern Qajar tribe, seized the throne, and established Tehran as the capital of Persia.

Persia fought disastrous frontier wars with Russia in the nineteenth century, but, with British assistance, staved off a Napoleonic invasion. In the long reign of Naser-ed-Din (1848-96) roads and railways were built, and the electric telegraph introduced.

His son, Muzaffar-ad-Din, compelled by political agitation, granted a Constitution in 1906, though it was not put into effect until after more civil war, and the abdication of the Shah in 1909, a year after Muzaffar-ad-Din had died. But the dynasty was fading; in February 1921, an officer of the Persian Cossack Brigade, Reza Khan, threw out the last of the Qajar rulers, and assumed the title of Reza Shah Pahlevi.

His own end came during the Second World War, after he had abdicated in favour of the present Shah, his son, Mohammed Pahlevi; Reza Shah died in South Africa in 1944.

During these later centuries of development, Persian rulers had granted many banking, trade and mineral concessions, but invariably they were opposed by the politicians, who complained that the foreign financiers gained terms unfavourable to Persia.

Persians considered that there were two enemies of Iran—Britain and Russia. Mossadiq was a faithful believer of this creed during his long life-time in politics.

The imperialist Russian Tsar, Peter the Great, had formed a compact with the Turks to partition Persia, but died in 1725 before it could be enforced. But in 1800, the ruler of Georgia surrendered to the Russians, and the Persians, attempting to defend the province, were defeated by Russian troops and lost the neighbouring territories in the Aras valley.

After a further defeat in 1825, the Persians agreed to establish a Russian-Persian frontier, but this was not fixed for

fifty years, after the Russians had captured some outer areas.

With economic concessions granted in their favour, and against the British, the Russians began a military encirclement of Iran. The Persians were suspicious of the British, because Britain had opposed Persian penetration of Afghan territory, to balance the areas lost to the Russians.

The twentieth century brought the discovery of oil, and British policy became confirmed in continuing to support Persian economy. But a treaty between Britain and Persia which recognized the independence of Persia and allowed the United Kingdom to supply civil and military advisers to Iran was never ratified because of Persian popular opposition.

Then, in February 1921, a few days after his accession, Reza Shah announced a treaty with Russia, which contained the important provision which would permit the entry of Russian troops into Persia "if a third party should attempt to carry out a policy of usurpation by means of armed intervention in Persia, if such Power should desire to use Persian territory as a means of armed intervention against Persia, if such Power should desire to use Persian territory as a base of operations against Russia, or if a foreign Power should threaten the frontiers of Federal Russia or those of its allies, and if the Persian Government should not be able to put a stop to such menace after having been once called upon to do so by Russia".

Although the Persians had no wish to invite Russian troops to their country, they were ready to invoke this pledge in 1951 when British forces were lined against Abadan awaiting the British Government signal to enter the refinery area.

Reza Shah succeeded in establishing thirty State-owned industries in Persia, mainly from the oil revenues, and acquired compulsorily from the British Bank of Iran and the Middle East the right to issue banknotes, through the Persian National Bank.

In 1927 and 1934 the Persian Government unsuccessfully claimed sovereignty over Bahrein. But in 1932, the Shah arbitrarily cancelled the Anglo-Iranian Oil Company's D'Arcy Concession, finally agreeing to the 1933 Concession, with its royalties increased from the former fixed scale of 16 per cent. of dividends.

The Second World War ruined the internal economy of Persia, when the Soviet authorities retained the agricultural produce grown in their occupied area, and peasants, landlords and merchants hoarded supplies in other parts of the country.

Then the Tudeh (People's) Party erupted with Communist Party sponsorship. The Persian administration became ineffective, and tribesmen broke from the ties of unity.

During the war a British company applied for an oil concession in south-east Persia, and in 1944 two American companies also asked for grants, but the Persian Government rejected the pleas.

In September, 1944, the Soviet Assistant Commissar for Foreign Affairs, Kavtaradze, asked for a five years' exploratory concession covering almost the whole of northern Persia. He failed when the Persian decree deferring the grant of oil concession while there were foreign troops on Iranian soil was passed by the Majlis, and a violent campaign against the Persian Government opened in the Soviet press.

Russia had been eager to obtain greater political influence in Persia rather than oil, and the Persian rejection had thwarted this ambition.

In spite of Tudeh Party support for the Russians, Dr Mossadiq succeeded in passing a Bill through the Majlis prescribing a penalty of eight years' imprisonment for any minister or official who approved of an oil concession to a foreign company before the end of foreign occupation of Iran.

Early in 1945 the Democrat Party—the Tudeh in a new guise—was formed in Tabriz, the second largest city in

Persia and capital of the north-west province of Azerbaijan. Its intention was to bring Azerbaijan into the Russian puppet States, and by the middle of December, a Communist, Ja'far Pishevari was in control of the area, while the Persian troops were confined to their barracks at Tabriz, awaiting Iranian Government orders.

Persia appealed to the Security Council of the United Nations, but Russia offered to negotiate before the discussions in the Council. The Persian Prime Minister, Qavam-es-Sultaneh, headed a mission to Moscow, where the Russians suggested an oil concession in return for the withdrawal of Russian troops from Persia's Provinces.

In a statement to the Security Council in March, 1946, Persia reported that Stalin had demanded that Soviet troops should remain indefinitely in Persia, that the Persian Government should recognize the internal autonomy of Azerbaijan, and agree to the establishment of a joint Persian-Russian company to exploit the oil areas with 51 per cent. of the shares owned by the Soviet Union.

But in May the Russians withdrew their forces with the understanding that the Majlis would agree to the formation of such an oil company within seven months. Persia decided to withdraw its appeal from the Security Council.

The Iranian Press became a mouthpiece for Russian propaganda. Tudeh Party agents in 1946 inspired strikes among the Anglo-Iranian Oil Company's workers at Agha Jari and Abadan. Persians objected to an announcement by the Government of India that it was sending troops to Basra, ready to protect Indian, British and Arab lives.

The Persian Cabinet resigned suddenly in July, after Qavam-es-Sultaneh had restored law and order in south-west Iran. A new Cabinet, with Qavam-es-Sultaneh remaining as Prime Minister, included three Tudeh Party members.

The Government accused two British consular officials in Isfahan of trying to set up a "reactionary feudal tribal government", and imposed martial law on the city on

6th September. Then the Qashgai tribesmen revolted, and agreed to peace six weeks later on the condition they were granted a pardon.

Qavam-es-Sultaneh re-formed his Cabinet, dropping the Tudeh Party representatives, but adding three members acceptable to the Russians. Then Azerbaijan resistance, which had been holding out for recognition of the Communist "government", collapsed, and Pishevari fled to Russia while Persian troops were occupying Tabriz.

When the Majlis met again, on 17th July, 1947, Qavam-es-Sultaneh refused to present the Soviet-Iranian oil agreement for ratification. Only two deputies of the 104 present opposed a Bill declaring the 1946 agreement null and void, and that the granting of oil concessions to foreign governments, or their acceptance as partners, would not be permitted in Iran.

Russia furiously accused Persia of "treacherously violating its commitments", and alleged that the United States had engineered rejection of the agreement.

In 1947, with governments revolving in and out of office like windmill sails, Persia agreed to the establishment of a United States military mission to co-operate with the Persian Ministry of War in increasing the efficiency of the Persian army, with dollar aid for buying military equipment.

The Tudeh Party was dissolved by Government decree after the Shah was fired at and wounded when distributing prizes at Tehran University, in 1949.

The extent of Russia's aspirations in Persia was revealed after the war by captured Nazi documents. Following discussions in Moscow in November 1940 between the German Ambassador in Moscow, Schulenberg, and Molotov, Schulenburg sent a long personal telegram to Ribbentrop, in which he reported that Molotov had said:

"The Soviet Government is prepared to accept the draft of the Four-Power Pact which the Reich Foreign Minister (Ribbentrop) outlined in the conversation of 13th Novem-

ber, regarding political collaboration and reciprocal economic support, subject to the following conditions. . . .

"(3) Provided that the area south of Batum and Baku in the general direction of the Persian Gulf is recognized as the centre of the aspirations of the Soviet Union."

It had been a primary aim of the Tsars, and was endorsed by Stalin, that the Soviet Union should strive for an outlet to the Indian Ocean.

But Persia has never been seduced by amity nor forced by war to grant that access. It has been steadfastly British and American policy to support successive Persian governments at their weakest point—finance—to ward off any opportunity which would have given Russia that chance.

If the British Socialist Government had shaped a firm retaliatory policy against Mossadiq's proposals before the passing of the Oil Nationalization Law, later diplomacy gave no hint of it. Fumbling for time in which to determine action, the Socialist Government's reply was to string a burglar alarm around the £400 million worth of oil installations, hoping the robbers would shy off at the noise without their loot.

Meanwhile the British Government had to decide whether to accept the principle of nationalization, or move positively—but toward a large-scale war—by deploying troops from the Middle East zone in the Abadan area.

It seemed a more reliable gamble to grope for time, hoping that Mossadiq's failure to seize the oil industry rapidly would cause him to lose the confidence of the Iranian people, and end with his overthrow. The result might be a greater Communist hold on the country in the din; but perhaps Mossadiq would foresee this calamity and agree to a mandate more advantageous to the British.

That Mossadiq might—as he did—drive on firmly until he had achieved mastery over the industry seemed a remote improbability.

On 1st May, the Foreign Secretary, Mr Morrison, told

the House of Commons it was "natural and right that the Persian people should now take a greater share in the operation of their main industry." The British Government was willing to negotiate, but could not do so under duress.

The Anglo-Iranian Oil Company withheld its May payments of the oil royalties, which amounted to £2,000,000. This gesture was intended to remind the Persian Government sharply that it depended on Company money for its existence, and the maintenance of a stable economy in the country.

On 8th May, the Company asked Mossadiq for arbitration to decide whether the Persian Government was acting within its legal rights in attempting to annul the 1933 Concession, and to establish responsibility for, and determine the consequences of, the breach of the agreement.

Mossadiq ignored the Company's request, but replied through the Persian Ambassador in London, Mr Ali Soheily, to Mr Morrison:

"I, also, for my part, have the utmost interest in maintaining the good relations and the strengthening of the foundations of friendship with Great Britain, and I consider it necessary that certain misunderstandings should be completely cleared.

"The former Anglo-Iranian Oil Company's conduct and activities constituted one of the causes of the misunderstandings which gave rise to the dissatisfaction of the Iranian nation, and not infrequently, to the belief that British officials were involved. It is certain that following the execution of the law of implementation of the nationalization of oil industry throughout the country, the causes of dissatisfaction will disappear.

"The strengthening and consolidation of Iran's friendship with Great Britain are not only to the good and interest of both countries, but also to the good and welfare of all democratic States and peace of the world.

"The object of the nationalization of the oil industry is

fully evident. The Iranian nation wishes to exercise its sovereign rights and to undertake the exploitation of its own oil resources; it has no other object in mind other than the implementation of the law of nationalization of the oil industry.

"Under Articles 2 and 3 of this Law, the Iranian Government is ready to consider the claims of the former Oil Company. Likewise, in accordance with Article 7 of this Law, the Iranian Government is prepared to sell petroleum to its former buyers at fair international rates.

"It is the sovereign right of every nation to nationalize its industries.

"Assuming that agreements or concessions have been concluded with persons or private companies in respect of these industries, and assuming that from a juridical aspect, these agreements and concessions are considered to be valid, they cannot form a barrier against the exercising of national sovereign rights, nor is any international office competent to consider such cases.

"By exercising its sovereign rights, the Imperial Iranian Government wishes to strengthen the economic structure of the country through its oil revenues, and to provide for the general welfare of its people and to put an end to general poverty and dissatisfaction. This measure will bring about the prosperity and tranquillity of Iran, and will prevent any disorder and disturbance.

"With regard to the principal issue, in accordance with the law of implementation of nationalization of the oil industry throughout the country, a mixed board is to be set up by the Senate and Majlis from among their members, and as soon as this board has been formed, which will be a matter of a few days, the former Oil Company will be invited for arranging matters and implementation of the Law."

Already Mossadiq had stated that he disregarded the provisions in the 1933 Concession allowing for arbitration to

settle the dispute. He contended that the Persian Government had the sole mandate to decide the fate of the oil industry.

The British Government's reply was to alert the 16th Independent Airborne Brigade, and to prepare shipping transport to carry the paratroops from Britain to Cyprus. The cruiser H.M.S. *Gambia*, with a complement of 900 which included seventy Royal Marines, was ordered from Malta to patrol the Persian Gulf.

These military manoeuvres did not shake the Persians. *Shahed*, the newspaper of the National Front Party, commented:

"Before British paratroops could reach Persia, a Holy War would be declared against the infidel British, and every person would immediately be destroyed."

Sycophantic deputies threw garlands of flowers when the weeping Prime Minister orated from the Majlis rostrum. They cheered him when he cried:

"My life is in danger. The Anglo-Iranian Oil Company is determined to destroy me. I can no longer take the risk of going to my home or my office."

But Mossadiq appeared rather uncertain of whom he was to be cautious, for he told also of two men "disguised as women" who had tried to waylay him. "Mysterious gatherings" had congregated outside his house; "evil hands" had tried to intervene in Persian affairs; Fidayani Islam was "after my life".

Then he fainted, and his supporters carried him to a blue-panelled room in the Majlis building, which he claimed as a sanctuary.

Sanctuary fostered visions. Mossadiq told his friends: "One night I dreamed I saw a figure with rays of light coming from his face. The figure said, 'Mossadiq, go and tear the chains off the Persian people.' When nationalization was passed, I accepted that the man in the dream came from God!"

A servant announced that messengers from the Majlis were

waiting to inform Mossadiq of the Majlis decision about the mixed oil board. He invited them to his couch.

They read off the list of names:

The Deputies.—Allahyar Sahih and Dr Ali Shaygan, from the National Front Party, Dr Moazzami, Professor of Law at Tehran University, Nassar Ardelan, a banking expert, Hussein Makki, Mossadiq's cherished friend.

The Senators.—Dr Matin Daftari (a son-in-law of Mossadiq) and Bayat, two former Prime Ministers, Dr Shafaq, a Tehran University professor, Najm, former Minister of Finance, Sururi, former Minister of Justice.

Kazim Hassibi, Under-Secretary to the Persian Ministry of Finance was the Government representative to the Oil Commission.

Tears streaming down his lean face, Mossadiq kissed the messengers for their good news.

Later, many politicians wondered how much they had been influenced to hasten by the Prime Minister's repeated fainting fits or the enthusiasm of his exhortations.

On 15th May, Mossadiq proclaimed that the title of the Anglo-Iranian Oil Company would bear the prefix "former".

As proof of the peril of being Prime Minister, Mossadiq reported the arrest of Abdul Qasim Raffi, deputy-leader of Fidayani Islam, who was said to have told the police he intended to assassinate Mossadiq "during the next three days".

Mr Dean Acheson, of the American State Department, appealed to Mossadiq for "friendly negotiations" with the British. He assured Mossadiq that while the United States sympathized with Persia's sovereign rights, and the desire for increased benefits, he doubted whether the elimination of the Anglo-Iranian Oil Company would "increase those benefits".

United States oil companies would not be willing to take over the Iranian oil installations, and there would be "extreme shortages" of suitable manpower, he warned.

But Mossadiq, proud and triumphant, scorned America with Britain. He dreamed of his oil-rich country, and refused adamantly to have the vision shattered by reality. He barely noticed the aide-memoire from Mr. Morrison on 19th May:

"His Majesty's Government fully understand and sympathize with the desire of the Iranian people to strengthen the economic structure of their country, and to provide for the general welfare of its people.

"They themselves have constantly shown in practical ways that these objects are of deep concern to them. They find it difficult to believe, however, that the unilateral action which the Iranian Government are proposing to take will contribute towards their fulfilment.

"His Majesty's Government moreover, neither desire nor intend to question the exercise by Iran of any sovereign rights which she may legitimately exercise. They maintain, however, that the action now proposed against the Company is not a legitimate exercise of those rights . . . further, the (1933) Agreement contained two very important provisions:

"(a) that the position of the Company under its agreement should never be altered by the action of the Iranian Government, or even by Iranian legislation (Article 21) except as a result of an agreement between the Iranian Government and the Company:

"(b) that if the Iranian Government had any complaints against the Company, or vice versa, and the dispute could not be settled otherwise, it was to be referred to arbitration (Article 22), the arbitral tribunal being presided over by an umpire appointed by the arbitrators themselves, or, in default of their agreement, by the President of the International Court of Justice at The Hague.

"The essential point is not the right of a sovereign Power by its legislation to nationalize commercial enterprises carried on within its borders, nor what measures of compensa-

tion it should pay for doing so. The Iranian Government, in effect, undertook not to exercise this right, and the difference at issue is therefore the wrong done if a sovereign State breaks a contract which it has deliberately made.

"If as Your Excellency claims, the Iranian Government had grievances against the Company, their remedy . . . was to seek arbitration. That course has not been adopted. Instead, the Iranian Parliament have enacted a law which envisages a fundamental change in the status of the Company. The Company, therefore, had no alternative but to make known to the Iranian Government its wish to take the whole matter to arbitration.

"The Anglo-Iranian Oil Company is a British company registered in the United Kingdom; moreover, His Majesty's Government own a majority of shares in the Company. It is clear, therefore, that His Majesty's Government have the fullest right to protect its interests in every way they properly can . . . if (arbitration) should be rendered illusory by the Iranian Government, then the question must become an issue between the two Governments.

"His Majesty's Government would have an unanswerable right under international law to take up the case, and, if they deemed it expedient, to bring their complaint against the Iranian Government before the International Court of Justice at The Hague. In that contingency, they would hope that the Iranian Government would collaborate in enabling the Court to give a decision as quickly as possible.

"On the other hand, His Majesty's Government still hope that the problem can be solved by negotiation to the satisfaction of all concerned. The interests of His Majesty's Government and the Anglo-Iranian Oil Company in this matter are identical, and I take this opportunity to reaffirm that His Majesty's Government are prepared to send a mission forthwith to Tehran to discuss the terms of a further agreement.

"I earnestly trust that your Excellency will be prepared to

agree to this procedure, and to conduct negotiations with a mission on a fair and equitable basis.

"In conclusion . . . I should be less than frank if I did not say that a refusal on the part of the Iranian Government to negotiate, or any attempt on their part to proceed by unilateral action to the implementation of recent legislation, could not fail gravely to impair those friendly relations which we both wish to exist, and to have the most serious consequences."

The United States intervention had irritated Mossadiq. Foreign Minister Kazemi handed the American Ambassador Dr Henry Grady, a note rejecting the United States' request for negotiations as "interference in the internal affairs of Persia!"

At a mass demonstration of the newly-formed Momenin Islam, Hussein Makki accused the United States of "sticking a dagger in the back of the Persian people".

Ali Gholi Bayam, a member of the Majlis Iran Party, described the Anglo-Iranian Oil Company policy during the past fifty years as "one of concentrated satanic wickedness, which America is now trying to support".

The crowd cried enthusiastically for a "Holy War".

On 20th May, Minister of Finance, Mohammed Varestah, told Richard Seddon, the Company's Chief Representative in Tehran that "the Company is hereby invited to nominate immediately its representatives with a view to making arrangements concerning the matter (of nationalization) and carrying out the Law, so that the day, hour and place of their attendance should be notified". Arbitration, added Varestah categorically, was out of the question.

Varestah liked to prod, knowing he was safe from retaliation. "I am waiting every day in the Finance Ministry for your representatives", he wrote to Seddon four days later. Then he injected the poison:

"Should you fail to nominate and send your representatives within one week, that is, before the close of 30th May,

which is Wednesday, the Government will have no choice but to act according to its legal duties, as prescribed in the laws of 15th and 20th March, and that of 30th April, 1951."

Mossadiq was meeting the foreign newspaper correspondents at his first Press conference since he became Prime Minister. Reporters, who expected his grilling exposition of the evils of the Anglo-Iranian Oil Company, rejoiced when they had a private performance of the theatrical demeanour which Mossadiq posed usually in the Majlis, or in front of mob gatherings of his own people.

The Prime Minister trembled, almost vibrated, wept and waved hysterically. He had to be supported before he could speak:

"The former Anglo-Iranian Oil Company is a dragon lying on the Persian peoples' hidden treasure," he declaimed. "The patience of the Persian people is almost exhausted, and when it is exhausted there will be an explosion, not only in Persia but in the Middle East."

He paused, to make certain all the reporters were keeping up with him.

"To prevent a third world war, it is important that the conditions under which many Persians live should be ended. The first step is the nationalization of oil.

"By this means, we will be able to save Persia and the Middle East, and perhaps the whole of Asia. What Persia is doing is of world importance."

The reporters dashed to their typewriters; for Persian communications were slow, usually impeded by an unofficial censorship, and it was advisable to be an early arrival at the Tehran telegraph office with press copy.

Frustrated by Mossadiq's immobility, the British Government on 26th May, decided to appeal to the Hague Court. The Anglo-Iranian Oil Company would ask the President to appoint an arbitrator to study the dispute, and the Court would be asked to order that the Persian Government take no further steps to implement nationalization.

Sir William Fraser, chairman of the Anglo-Iranian Oil Company, advised Mossadiq that Seddon would attend a meeting of Iranian officials "as a measure of respect to the Imperial Government and Imperial Parliament", but "would only be in a position to listen to what was said to him, and to report the substance to the Company in London".

Dr Grady handed to the Prime Minister another aide-memoire from the State Department, urging a direct, negotiated settlement. "The United States did not want to interfere" with Persia's internal politics, the note added.

In a swift reaction to the British Government's scheme to apply to the Hague Court, Foreign Minister Kazemi informed the Court that Persia could not accept its authority.

Simultaneously, Finance Minister Varestah sent Seddon a copy of the regulations which would govern the activities of the nationalization board, almost ready to leave for Abadan:

"1. In order to enforce Article 2 of the Act for the implementation of the nationalization of the oil industry, and with a view to the temporary administration of the National Oil Company of Iran, a committee composed of three persons, to be known as the temporary Board of Directors, will be nominated by the Government to function under the supervision of the Mixed Committee.

"2. The said Committee shall have all the necessary powers for managing the Company's affairs covering exploration, production, refining, distribution, sales and exploitation.

"3. Pending the approval of the constitution of the National Oil Company of Iran, the basis of operations of the temporary Board of Directors shall be the rules of the former Oil Company (except where these may be at variance with the law concerning the nationalization of the oil industry).

"4. The specialists, employees and workmen of the former Oil Company, Iranian as well as foreign, shall continue in employment as before, and shall be regarded from this date (May 30) as employees of the National Oil Company of Iran.

"5. The temporary Board of Directors shall exercise the greatest care and endeavour in carrying out existing schemes, and increasing oil production so that the rate of production and exploitation shall increase above the present rate.

"6. With a view to the fixation of the international reasonable price, and in order meanwhile to prevent any stoppage and restrictions in exports, the temporary Board of Directors will, immediately on arrival in Khuzistan, issue a notice in Iran and abroad to the effect that former purchasers may for one month obtain supplies under the existing plans, against receipt.

"Within this period purchasers must apply to the office of the temporary Board of Directors, in order to make arrangements for payment of the price of oil supplies received during that period, and to secure the concurrence of the Board of Directors with regard to benefiting from the rights prescribed in Article 7 of the Act of 30th April, 1951, and arranging purchase and sale of oil in the future. The temporary Board of Directors will propose the principles of agreement with purchasers to the Mixed Committee for approval."

Any proposals "which do not conflict with the principle of nationalization" which the Company might wish to make should be submitted within five days for Government consideration, Varestah said in a brief footnote.

Deputies were distrustful of Mossadiq's motives, sensing a secret urge of conformity to the requests of the foreign powers, when Dr Mossadiq left his Majlis sanctuary and lunched with British Ambassador Shepherd and American Ambassador Dr Grady. But, in the Majlis next day, Mossadiq reassured them that at the lunch he had told the Ambassadors "he would not budge an inch from the nationalization decision".

As evidence of the Government's "firmness", he was expelling from Persia two British news correspondents—Haigh Nicholson, of Reuters, and Sefton Delmer, of the *Daily*

Express. Exactly how the expulsions would assist nationalization, Mossadiq did not expound; but his word was final, and the two reporters began packing their bags.

In Abadan, Eric Drake had ordered wives and families to leave since the response to the voluntary withdrawal had been slack.

Free air and sea passages were provided by the Company for the British staff, which included the Indian and Pakistani families.

Bitterly resentful, and uncomprehending, the families submitted to the order. Bungalow windows were shuttered, doors bolted and servants sacked as the oilmen remaining moved to share other homes during a lonely, tense wait.

CHAPTER SIX

DEPARTURE meant heartbreak, solitude's bleak companion. Aching days of strained waiting for passages gnawed fretfully at the spirit until the crawling moment arrived.

Most of the families had elected to leave by air; for others there was accommodation on the tankers. Extra aircraft, diverted from world routes, flew a shuttle service between London and Abadan, on charter to the Company.

Two, sometimes three planes a day left Abadan airport, each carrying about forty of the oil families. Husbands whose work was not essential to the refinery processes were allowed to accompany their wives—but few oilmen could be spared. They were granted "special leave", a phrase coined by the Company to avoid the obvious, but obnoxious, term "evacuation".

Men due for leave, and returning to Britain for their usual vacation, were warned that they might be recalled to Abadan at short notice. The Company also began clearing from the oilfields the British contractors who supervised electrical and building projects.

While some Fields wives and children stayed at the homes of friends in Abadan awaiting their call to the airport, the Riverside Guest House became the main transit hostel for oilfields families ready to depart in one or two days.

There the women knitted, or tried to concentrate on reading, or sat dolefully, smoking dozens of cigarettes,

idly watching the children playing on the floor. They chatted sparsely to other travellers, and many rebuffed news correspondents seeking personal interviews, saying, "Please go away. I don't want to think about it, and I've nothing to say."

The radio news bulletins aroused them, and they listened intently, hoping each broadcast would announce a reprieve. But they heard only of their own plight, and retired, disconsolate, behind the moist pall of their discomfort.

Bustling Mrs Vera Flavell, the plump manageress of Riverside, was the team manager who supervised their meals, and the arranging of bedrooms for successive arrivals. When the green busloads of passengers arrived from Fields, she was waiting ready with room lists, and directed the servants in sorting the luggage.

There was near-panic occasionally when a scheduled plane did not arrive, or was delayed overnight, and emergency rooms had to be found for women and children who moved in from Fields before their predecessors had left. Yet, with her blonde hair ever awry in a crisis, and bulging arms signalling to the servants organizing prompt reshuffles, Mrs Flavell capably settled the arrivals, who were often unaware of the confusion their coming had caused.

Outwardly she professed a disquietening temperament. "Most of these people are not in the £1,200 a year class that this guest house was built for. Normally, they wouldn't be permitted to stop here!" she would exclaim petulantly, when the building became overcrowded. But the explosion soon died, and Mrs Flavell was, in a few minutes, again the diligent hostess caring for the people in her charge, without adding to their embarrassment or suffering.

One class Mrs Flavell could not tolerate—the Press. At the Company's direction, news correspondents were stationed at the guest house. But in the rush of evacuation, when rooms were scarce, the presence of newspapermen occupying the rooms was a perpetual irritant.

For Mrs Flavell believed, in company with many oilmen and women, that excessive Press publicity had forced the disruption to family life. No one had offered, nor could suggest, a rational explanation of this attitude. It was a light-headed fantasy which arose probably from the desire of the people to apportion blame in some direction. The Company's actions were inviolable; the Press was ever suspect.

In return, the newsmen privately nicknamed Mrs Flavell "Flossie". Yet Mrs Flavell was never discriminatory in her treatment; if her temper was short, her charity was unbounded.

Gradually the bungalows were emptying. At parties and dances the preponderance of men was evident, and the main topic was the oil crisis.

Packing cases stuffed with personal belongings crammed the wharf storage sheds, awaiting Customs clearances. But the Persian officials were diffident and slow, and freighters sailed while cargoes of crates piled incessantly in the buildings, and overflowed to the open exposure of the blazing sun on the wharves.

"Home" to many families was Abadan or Fields. With their leaving they took the anxiety of finding new addresses in the United Kingdom, among relatives and friends they had not met for years. For scores of women and children evacuees, the Company had to arrange temporary accommodation in Britain, while the people searched uncertainly for houses and flats.

At the airport the families were herded by Persian troops armed with rifles and bayonets into the broiling steaminess of the waiting room, during the check of passports and the light luggage they brought to the aircraft.

Women, often in the flimsy frocks of the tropics, but with no warm clothes suitable for Britain, soothed impatient children becoming tearful and bored at delays of one or two hours. Nurses from the Company hospital helped mothers

in feeding babies, and chatted to older children while parents were saying good-bye.

Church ministers and other volunteers carried cups of tea to the passengers, while Persian guards lounged scornfully at the doorways. Iranian Customs officers pretended difficulties with luggage, and passport irregularities. Bags had to be opened, their contents strewn on a bare bench, and probed by Customs men before they were passed.

Often the British husbands could not pass the guards while their wives were in the Customs offices, grappling with the dispersed belongings. Oilmen who tried to carry the bags to the planes were seized at the door by soldiers, and women had to manage suitcases and children unescorted in the naked heat to the aircraft.

The return of passports would be deliberately deferred until the Persians tired of the sport of hindering the departure of the planes, and the distraught, weary families were permitted to embark.

Then, when the passengers were on board, the oilmen were allowed to walk from the waiting-room to the verandah bordering the airstrip, to watch the take-off. A roar of engines, the gathering dust as the plane sped along the ground, and the distant sight of hands waving behind the curtained cabin windows were the last blurred impressions the oilmen had of their departing families.

Afterwards, for months, only letters between them. Messages of encouragement and cheer, consoling lies to alleviate on both sides uneasiness and tedium.

"Go to Abadan if you want to write some interesting stories," a Fleet Street colleague on the *News Chronicle* had advised me in May. Although there were sixty-four Press correspondents from British, American, French and other newspapers and agencies in Tehran, only three reporters, all British, were stationed in Abadan.

I flew to Tehran as a free-lance correspondent, for the *News Chronicle* and *Exchange Telegraph* news agency. When I

had found accommodation in the city, with the assistance of the British Overseas Airways Corporation manager, I set off to find Norman Cliff, the *News Chronicle's* reporter who was covering Tehran.

The first correspondent I met was Colin Reid, from London's *Daily Telegraph*. Norman Cliff, he told me, was in Abadan for a few days; meanwhile, I should register at the British Embassy, meet the Anglo-Iranian Oil Company officials, apply to the Persian police, with three passport photographs, for a frontier pass which would enable me to travel into the martial law zone, obtain from the Persian Propaganda Ministry a permit to send press cables by Persian telegraph, and find a translator who would give me a daily digest of the Persian newspapers while I was in Tehran.

After four days had elapsed, the Persian police issued the frontier pass.

Then, after a brief introduction to the British Ambassador at the weekly Press conference, I was impatiently ready to travel to Abadan.

At six o'clock on the morning of 2nd June, I drove in a Persian taxi to the Tehran railway station, planted on the far outskirts of the city, an imposing yellow building with a high-ceilinged foyer panelled in blue mosaic. A porter shuffled me past a small crowd of Persians waiting for the ticket office to open, to a room where an army officer inspected the frontier pass. Though he asked several questions, I could not understand him, for we had no language in common.

About an hour later, a yawning clerk languidly pushed up the sliding window of the first-class booking office, and an elderly Persian, who spoke some English, volunteered to buy my ticket, and direct me to the platform for the Khorram-shahr train.

In the French-language newspaper, the only European paper published daily in Tehran, I had read that the nationalization temporary Board of Directors was due to leave for

the south by the same service. But though a compartment was reserved for them, it was not occupied, as the Board was delayed by a political hitch for a day.

At the rear of the first-class carriage was a double compartment. For a large tip, the guard marked this "reserved", and ensured my having a private journey. During the twenty-six hour trip I heard only one interruption—when a Persian family numbering about six, boarded the train at a late-night stop, and began brewing tea with a portable kerosene stove.

The locomotive was a heavy, high-wheeled British engine, and the carriages old, steel vehicles of Continental design. Most were for second-class travellers, and fashioned similarly to the first-class carriages, but with room for two more passengers. In the first-class compartments, the back of the seats lifted, and when secured by leather straps provided a bunk for night sleepers.

In the front of the train were the third-class carriages, with thinly-padded boards for seats. Iranian Railways also operated a fourth-class, reminiscent of cattle wagons, but not used on the Khorramshahr express.

They called it an express, but the train trundled through the country on a single track, rarely exceeding forty miles an hour. An extra engine was added to haul the load over the steep mountains in the centre of the land, where the rails spiralled grimly around the rocky sides above gaping gorges, and flanking sheer precipices.

The train had a restaurant car, with a kitchen where chunks of meat and fowl braised on spits over grills of glowing charcoal. The dining-car was cleanly scrubbed, with neat, white napkins on the long benches which served as tables.

While I was returning to the compartment, I saw a Persian youth in European clothes watching me, amused at my curious inspection of the train. I asked him if he spoke English, and he replied fluently that he was an Anglo-Iranian Oil Company engineer on his way to Abadan.

Rahim was ~~himself~~ one of the hundreds of young men who had been educated by the Company in Persia, and sent to the university in Birmingham where he had secured an engineering degree.

An ardent supporter of Mossadiq's nationalization policy, he had absorbed much of the Communist dogma, though he was not, he emphasized, a member of the Tudeh Party. Though he liked the British staff, he believed his opportunity for promotion would be enhanced when the oil industry fell under Iranian control.

During the strikes he had stopped work for several days, but had not been a participant in the mob demonstrations. The agitators had threatened to thrash him if he reported for duty, so he, with several young Iranians living by his quarters in the Braim area, had confined himself indoors to shun trouble.

One of the Company's graded staff, he resented the social discrimination which prevented him bathing in the Braim swimming pool, and excluded him from the Company's Central block. Although the Company provided alternative restaurants and sports grounds for Persian staff, frequently shared by first-year British men, there was a taint of segregation and aloofness by the British which the Persians had found galling.

Rahim was no inveterate grouser. He appreciated his education facilities, and the security of working for the British; but he thought the British could be more socially equitable, and that the Company could allocate its flats and homes more generously to bachelor Persian staff after two or three years of service.

Next day, when we had arrived at Abadan during the lunch break, in which hour the offices were closed, Rahim took me to his quarters, which he shared with another Persian, in a terrace of about thirty bed-sitting-rooms. Each room had a small kitchen, and toilet amenities. A fan swinging from the ceiling circulated air which dried perspiration, but did not cool the torrid atmosphere.

Certainly, dozens of British lived in similar quarters, but they tended to resign at the expiration of their first-year contract unless the Company offered the inducement of more spacious accommodation.

An uninhibited influx of Persians into British clubs and recreation activities would have swamped the Europeans by superiority of numbers. A few individual Persian senior managers and technicians gained privileged admission to private, British-sponsored organizations, though membership lists were loaded with names of British newcomers awaiting vacancies.

A vague realization of the problem was proffered by the existence of the exclusively-Persian staff club, Bashgar Iran, and the Golestan Club, with a membership divided evenly between British and Persians.

Without the establishment of the oil industry, south-west Iran would have remained a sparsely-inhabited desert, repulsive to Persians for its lack of fertility, and inimical climate. The Company owed its obligations equally to British and Persians, for it expected equal participation in furthering the flow of oil.

But middle-grade Britons, leading the transplanted middle-class lives of English suburbia, generally preferred a severe isolation in resentment to Persian intrusion. Their attitude against the social acceptance of Persians undermined the democracy which the Company prided itself it professed to maintain between the two races.

With the British ascendant in management, and favoured in promotion and accommodation, the Persians believed they were victims of a foreign usurpation of their rights.

Broadly-built Julius Edwardes, the Company's Abadan chief information officer, welcomed me in a hearty manner when I found him at his office after the lunch hour.

"Your colleagues are on their way to Ahwaz," he said. A servant brought in the inevitable cups of tea—a national beverage among a nation of tea addicts. Edwardes picked up

the telephone receiver and energetically dialled the guest house number. "I'll see whether they've left yet—and if they haven't, whether there'll be room for you in the taxi."

I had been in Abadan for eighty minutes. But if the rest of the Press was going to Ahwaz, I would bring my typewriter after them.

"It's fixed. You're going with them," Edwardes said, replacing the receiver. "I suppose you know the story?"

"No."

"The new governor-general is arriving in the morning from Tehran, a fellow named Shamsed-din Amir Ala'e, who has been Minister of National Economy. Mossadiq's told him to make sure these nationalization oily-boys do the take-over properly. Of course, it's all a bit of show for the Persian people; once the oil board directors see for themselves how hard it is to run the oil business they won't want to have anything to do with it."

My companions were three Fleet Street journalists; James Leasor of the *Daily Express*, Walter Farr from the *Daily Mail*, and Harry Whyte of Reuters news agency. A young clerk from the information department was appointed as interpreter, but he was a timid youth, obviously scared that other Persians would observe him aiding the British. Nor was his knowledge of English adequate; at his most eloquent best he could cope only with short, simple phrases. A broad topee mushroomed over his head, and he seemed a slender stalk beneath it.

We drove by Company taxi to the Karun River where a Company launch carried us across the muddy water to Khorramshahr. A second taxi, hired from a Persian in the bazaar, was a vivid red, late-model Chevrolet, and the driver, in a florid, wide-necked, open shirt was as flamboyant as the vehicle.

It was early afternoon, when even the desert wilted in the tropical heat. Ahwaz was about eighty miles from Abadan, and the road an obscure, sandy track. The wheels whirled a

hot; suffocating powder of dust into the car, airless and stifling with all windows closed firmly to shut out the burning draught which swirled around our faces if we tried for ventilation.

About half-way, we pulled up to rest from the intolerable jolting and the blinding glare of the salt-caked desert. Nothing appeared to be solid; even the car from a few yards away seemed an almost-transparent, shimmering fantasy.

The ride lasted three-and-a-half hours before the gilded domes of Ahwaz mosques glinted beckoningly in the desert distance. We crossed the shark-infested Karun River, by the Company-built, steel-spanned concrete bridge, over A.I.O.C. tugs pulling sluggish lines of oil barges, and grimy Persian river-craft moored to the slimy banks, and passed the police guard post without inspection.

Ahwaz was decorated with banners, bunting and Persian flags to honour the arrival of Governor-General Ala'e. The doors of the dingy, decrepit buildings were firmly closed while the townsfolk slept in the afternoon heat.

But when we stopped by a small square, where coloured lights were strung over a fountain dismally trickling into a trough, a crowd mainly of children gathered around the car. While the driver was asking the way to our destination, the Shush Hotel, the children scratched at the dust on the car, and the few elders growled disapprovingly at us in the eastern fashion of insult.

Our shrinking Company interpreter refused to translate the remarks the crowd muttered; it was with some relief that we drove off after the driver had ascertained the direction.

The Shush Hotel, which provided the only habitable accommodation for Europeans in Ahwaz, was a lowly structure, with a narrow, dimly-lit entrance. There was no air-cooling system, and the atmosphere was sweaty and suffocating.

A servant ambled from behind a worn reception desk to wake the proprietor, who appeared, dishevelled and dis-

grunted, about fifteen minutes later. In dumb-show, for he spoke none of our languages, we booked double rooms while the proprietor, in conformity with the regulations, secured our passports which had to be checked by the police.

Only one tap in the bathroom was working, and it offered a murky, reluctant dribble. So, tired and unwashed, we returned to our bedrooms to write stories covering the assignment. The taxi driver came back after depositing the useless interpreter with relatives, and drove to Abadan with our press copy, for the telegraph organization at Ahwaz was not equipped to handle it speedily.

After a doze which relieved much of the fatigue, we rose for dinner, to find the water supply improved, flowing thinly and tepidly, but steadily, from the one tap.

Meals were served in an open-air garden. Dinner comprised greasy, but edible meat, which we washed down with an acceptable Persian sweet white wine.

There were two Britons at the hotel, Bernard Fosdick, of London, and John Kift, of Wales, electrical contractors to the Company, who had lived in Ahwaz town until mobs had attacked their flat. They were waiting for the Company to arrange their passages home.

A three-piece gipsy band played Spanish songs, to which a pair of adagio dancers gyrated. Then, a speciality number to the British, presented pompously but discordantly, "In a Persian Market". A waiter explained to us that the band-leader thought this was the British national anthem.

About ten o'clock, the proprietor, disconcerted and embarrassed, came to our table with the Ahwaz passport officer. The official said, in English, to James Leasor:

"I have not seen your frontier permit."

Leasor replied he did not know he had to have one, and that in coming from Basra, the Persian frontier guards had allowed him into Iran without this document. Gravely the official lectured him on the impropriety of entering Persia without the correct passes; then with rare co-operation

for a Persian authority, he offered to escort Leasor to the bazaar, where he could sit for the three photographs which had to accompany the permit.

By midnight, the official and Leasor had found at a house in a shadowy street an Iranian photographer who agreed to unbundle his camera for the portraits. Leasor promised to meet the passport officer at police headquarters in the morning for the permit.

A taxi from the Ahwaz bazaar met us next morning, though the driver was apprehensive at our request to take us to the railway station where the crowd was assembling to greet the governor-general.

Our interpreter, who had rejoined us, hopefully suggested he would be more useful at the police station supervising the issue of James Leasor's permit. As he was valueless to us, and unconcealedly afraid of the mob, we let him go.

We left the taxi about two hundred yards from the station, and walked about a hundred yards, to a clump of date palms bounding a large building. This placed us on the outskirts of the crowd, an excitable throng of at least three thousand people, eagerly waving flags and banners.

A deputation of welcome, holding placards reading "Greetings to the man who has come to throw out the British," "Governor Ala'e, Khuzistan's liberator, welcome, welcome," rehearsed the crowd in its cheers. Selected leaders held goats, sheep, oxen and a camel which were to be slaughtered to celebrate the appearance of the governor-general.

Then, the far-off, jubilant whistle of the train, prolonged until it eased into the station. The leaders raced forward, pushing the camel in front, and brandishing the long knife with which it would be slaughtered on the platform.

A lengthy reception exacerbated the anxious anticipation of the crowd, who howled ceaselessly for the governor-general. When he stood on the steps before them, the cattle and goats died in his honour. Blood gushing from their necks

splashed the feet of the Government party, and spattered the faces of the mob applauding the sacrifices.

We left during the governor-general's speech, which was inaudible to all but the front row followers because of the sustained acclamation from the mob. Company officials had not favoured our going to Ahwaz, as the presence of any British at a Persian celebration might give trouble-makers an opportunity to spring a riot; the situation on this morning was one which we felt to be a potential incitement.

But later that day we requested, and were admitted to, a private Press conference with Governor-General Ala'e. The interpreter refused to attend with us; there was some difficulty with Leasor's permit, he explained. The civil governor had refused to sign the pass, and the passport officer was interviewing the military governor.

The governor-general proved willing to chat, and invited us into the personal reception room, hermetically-sealed from outside heat and ventilated with a modern air-cooling machine similar to those used by the Company. We sat in comfortable, padded armchairs, sipping cups of tea served with sugar and fresh, green limes, while the governor-general paced the floor, speaking quickly in French.

"The importance of the oil question is not only an economic one, but that our independence is at stake," he said, clasping his lean fingers tightly. "Britain must handle the oil question with care. We have other neighbours, and Iran is at the crossroads of the world."

He frowned at his indirect allusion to Russia, and his confidence seemed, momentarily, to wane.

There were agitators, and people intriguing against nationalization, but while the Government was enforcing its nationalization plans, it would be his duty to ensure calm throughout the oil area, he added. This would demonstrate to the British that their security was efficiently safeguarded by the Persian Government, and they could continue to produce oil products peacefully, and without anxiety.

Ala'e ceased pacing, amiably shook hands with each of us and held open the door.

"These Persians are going to push ahead with nationalization in their own way, and they don't give a damn what the Company says or thinks," commented Harry Whyte as we made our way to the car.

Our interpreter was unusually shrinking when we called at the office of the military governor for the permit. Quaking, he told Leasor that General Shahbahkti had refused to sign the pass without authority from Tehran.

Leasor and Farr went into the building to interview the governor; ten minutes later Farr returned alone.

"Leasor's been arrested, and we have been told to clear out at once," Farr said. Apparently none of us had a permit to travel from Abadan to Ahwaz, inside the martial law zone. To officialdom, we were illegal entrants, and liable to the stern penalties of the law.

There was no argument. With our interpreter complaining miserably that he had lost his topee, we sped in the taxi from Ahwaz to the refinery, with a brief stop at the Shush Hotel where Farr phoned the British consul to tell him of Leasor's plight.

That afternoon, with no British to support him, but with the passport official's still-friendly advice, Leasor was charged in an Ahwaz court for having no frontier pass. The hearing, in Persian, was short, and he was released on paying a fine of 150 rials (about thirty shillings).

Simultaneously, the military governor signed a permit, valid for a week, and Leasor returned that night to Abadan.

CHAPTER SEVEN

WHILE appeasement by gentle diplomacy was the character of British Government attempts to settle the oil dispute, Dr Mossadiq was able to win each round of the political battle. When, on 29th May, Mr Morrison told the House of Commons that the United Kingdom was anxious to send representatives to discuss nationalization with the Persian Government, Dr Mossadiq was ready to be coaxed into negotiations, for the Foreign Secretary's statement bore the hint of acceptance of the principle of nationalization.

Mr Morrison had said: "While His Majesty's Government cannot accept the right of the Persian Government to repudiate contracts, they are prepared to consider a settlement which would involve some form of nationalization, provided—a qualification to which they attach some importance—it were satisfactory in other respects.

"Their difficulty has been, and still is, that the Persian Government have hitherto not seen fit to respond in any way to their repeated suggestions for negotiation, but, on the contrary, have indicated merely their intention to proceed unilaterally."

Morrison's statement inspired President Truman to write letters to Prime Minister Attlee and Prime Minister Mossadiq. But he muddled his addresses; by mistake Mossadiq received the letter for Attlee, and Attlee received the letter for Mossadiq.

Both letters, explained a blushing President, were similar,

so there would be no drastic consequences. The American State Department swapped the messages, and Dr Mossadiq read his note:

"I express the strongest anxiety of the United States Government regarding Persia's present situation, and I am sure you share this anxiety", wrote President Truman to the Persian Prime Minister.

"I know how important to the British Government is a satisfactory solution of the difference between the British and Persian Governments regarding the activities of the A.I.O.C. Also, I am fully aware that the maintenance of Persia's independence is a necessary and fundamental matter, and that the flow of Persian oil is absolutely necessary for the economy of the free world.

"Information which has recently reached me makes me believe that the Persian Government is willing, and even anxious to reach a settlement with the British Government, so that the basic interests of Great Britain, and also the wishes of the Persian people to nationalize their oil would remain safeguarded.

"The United States Government in recent days has expressed its firm opinion to the British Government that the Persian Government has now given an opportunity for discussions, and that these discussions should stand without delay.

"We hope that the British Government can send to Tehran, without delay or gap, qualified representatives with full power to be prepared to discuss and reach a solution with the Persian Government, on precise proposals in conformity with the principle of nationalization of oil accepted by Mr Morrison in his speech in the House of Commons on 29th May.

"In my opinion, although the invitation of the Persian Government for discussions has been addressed to the Anglo-Iranian Oil Company, the Persian Government has hinted that it will have no objection if the oil Company's representatives be representatives of the British Government also.

"I know you are fully aware of the serious consequences of the present explosive situation, and I am sure that you know the depths of my anxiety regarding this difference, that no action shall be taken which could result in a lack of agreement between Persia and the free world.

"I am sure a solution can be found acceptable to Persia and Great Britain. I sincerely hope that every effort will be made to reach this aim."

Dr Mossadiq concurred: "If it wants to, the A.I.O.C. can include a Cabinet Minister," he said.

But until Britain agreed wholly to the principle of nationalization, Mossadiq believed a mission "would request something unacceptable, with no clear understanding of the subject of the discussions".

The "something unacceptable" which Mossadiq envisaged was a British proposal offering to share the oil business at any one, or all, of three phases—production, distribution or marketing.

The Anglo-Iranian Oil Company, which agreed on 3rd June to send a delegation "while reserving its legal rights", was intent on salvaging the more remunerative parts of the marketing organization, precisely those which the avid Mossadiq dreamed of acquiring for his impoverished Persia.

The Company was convinced that Mossadiq would compromise if given an opportunity to forgo some of his commitments, without forfeiting prestige. America preferred to offer money—British money—to solve the dispute. Dr Grady told the Press:

"The British delegation should endeavour to find a basis for making available funds at this time for the Persian Government. If this is possible, it will have a most wholesome effect, not only because it will ease the burden of the (Persian) Government, but because it will also sweeten the discussions."

Dr Mossadiq chafed the fibre of Majlis opposition by bullying opponents, until many senators and deputies stayed away

from Parliament rather than submit to the brunt of his mania. He led his fanatical minority between Liberals and Communists, allowing neither any place in his dogma.

The temporary Board of Directors had been selected, and approved by the Shah, as Dr Ali Abadi, Dr Hessabi and Engineer Bayat. The appointment of Hessabi lapsed a few days later, after an obscure tiff with Mossadiq, and Dr Mehdi Bazargan, dean of the engineering faculty at Tehran University, and a deputy-Minister of Education, became the third member of the board.

In the first week of June, the Oil Board, except Engineer Bazargan, who caught up a week later, followed the new governor-general to the oil province of Khuzistan. Their departure from Tehran coincided with an announcement in London that the A.I.O.C. had nominated its delegates for the Tehran discussions, and that the Hague Court had accepted lodgement of Britain's petition for an interim order to curb Mossadiq's nationalization programme.

Ahwaz and Abadan Iranians prepared grandiloquent welcomes for the Oil Board, with the more important celebrations planned for the arrival in Abadan. Bazaar streets were festooned with patriotic flags and banners, and Persian spivs hawked sacrificial goats and oxen at high prices among Persian workers.

Encouraged by rebellious groups, the labourers adopted a "go-slow" policy around the refinery and oilfields, while threatening another complete strike. It was the religious season of Ramadan, when Moslems renounced food and drink between the hours of sunrise and sunset, and masked their faces with scarves to avoid swallowing the dust in the torrid air. Their intense emotionalism revived with the impetus of abstinence, and they grew progressively more insolent and unruly in defiance of working discipline.

The Persian Government had reinforced the Abadan garrison. An armoured car patrol by the police barracks guarded the bazaar, while muffled troops cruised leisurely in military

trucks through Abadan streets. The civil police were armed with rifles and pistols.

More than 120 British women and children flew daily from Abadan, as the Company speeded up the evacuation. Drake asked the military governor to ensure sufficient troops were posted by the refinery and housing areas to protect British lives and property.

Through the day-long oppressive heat of 10th June, and a bitter sandstorm which blotted sight after a few yards, throngs of excited Persians wedged along the Ahwaz-Abadan road, from the Bahmanshir bridge to the bazaar, in keenness to greet the Oil Board. As the hot afternoon dragged into evening, their impatience grew more demonstrative.

The Company was sending none of the British staff to watch the arrival of the board, though Eric Drake had described the Persians as being "guests of the Company". To a Press request whether we could use a Company taxi to drive us to the bridge, Drake refused, saying some Iranians might think we were Company spies, and accuse the A.I.O.C. of interference. Nor could he make available a Company interpreter, who might be eventually intimidated for assisting the British.

So we hired a bazaar taxi, and drove to within half a mile of Bahmanshir bridge. Our progress was barred by the thickening of the crowd, who showed no signs of unfriendliness when we walked the distance to the bridge. But the road was well-lined with soldiers, sailors and police, who followed closely behind us.

At the bridge approaches, we met Military Governor Kamal and Admiral Shahin, pushing lustily with the troops against the Persian mass in an endeavour to keep the road clear for the Oil Board vehicles. Kamal and Shahin, amused at our visit, agreed to assist us in meeting the board members if they stopped at the bridge, and provided a bodyguard of six marines, armed with automatic rifles to impress the crowd of our authority.

The dust-storm was clearing, and the air relieved with evening coolness. The crowd was simmering, but in a happy fashion, with much laughter and many jokes at us—but which no one would translate.

"It means they know you are not Company spies," commented Shahin, who was standing near us. The section of the 40,000 crowd which we could see comprised mainly Persian labourers, but the western-style clothes which some men were wearing indicated the presence of graded staff employees. The military governor—without our knowing it then—had deputed several of these men to watch us among the mob as an extra safeguard.

A great shout from cheer-leaders at the bridge, and ecstatic waving of flags and banners heralded the entrance of the Oil Board cars; as they crossed the bridge the animals were slaughtered almost in the path of the vehicles, and wreaths of flowers were hung over the bonnets of the trucks.

When the people realized the board was not stopping at the bridge, and the sermons of welcome were to be wasted, they milled frantically around the vehicles. Relentlessly, the lumbering trucks pushed the crowds from the road, and our marines left us to join with the other troops in clearing a path ahead.

Military Governor Kamal snatched an Iranian flag from a spectator, and leaped on to the front of the leading truck escorting the Oil Board caravan to the police headquarters, about three miles away. Admiral Shahin jumped on to the running board of a car and animatedly shook hands with the occupants inside.

In the mix-up, Leasor and I were swept to the back of the crowd. We climbed a ladder against a telegraph pole, scanning the agitated, dark-skinned throng for white blobs which would denote European faces. Persians from the Company staff soon rescued us, and with a marine in our taxi accompanying us past the bazaar, we drove to Braim.

The brightly-lit framework of the refinery glowed like a

firework set-piece; English voices boomed unnaturally hollow from loudspeakers at the open-air cinema; we heard the tremulous echoes of chatter from garden parties on bungalow lawns; we saw the silhouettes of the men conversing and drinking in the English clubs; we walked to the guest house, to hear an oilman at the bar say, "Mossy's putting on a good show for his people."

Next morning, Eric Drake met us in his Khorramshahr office, to hear our account of the arrival. "I was sorry I couldn't be there," he mused, "but you know how it is . . . the Company musn't get involved. This is something the Persians have to sort out for themselves."

The general manager's office was a spacious room on the top floor of the newly-built administrative block. The simple furniture included an air-cooling machine, a thickly-padded, wall-to-wall carpet, loosely-sprung armchairs for visitors, a small wooden table at which secretaries could take notes during conferences, and the general manager's hard-wood desk, set almost squarely in the room, about ten feet from the door.

Papers were stowed in wooden filing boxes near the telephones connected to secret and normal lines. An internal link enabled the general manager to talk with any of the twenty-five British staff in the building.

The wide, steel-framed windows overlooked the Karun River, and the Company's launches ferrying staff and workers between the shores. British and Persian staff travelled in cabin-covered launches, while Persian workers, and usually the other native residents of the area, crossed in open launches, with a small canvas awning above the driver.

Often the general manager's elegant and expensive launch was moored at his private jetty by his house, about two hundred yards from the administrative offices. Around the general manager's home were clustered bungalows for other British administrators.

Adjoining this settlement was the British Consulate, where

~~The~~ Consul, Major Capper, the vice-consul, Lawrence Evans, and about half a dozen British diplomatic service staff lived and worked. On British national days, the Union Jack fluttered from a masthead above the palm trees; the job of hoisting the flag was delegated to a khaki-uniformed attendant, who had ringed the appropriate dates in red pencil on a calendar hanging behind the main door.

The main street of Khorramshahr was a long, narrow embankment about ten feet above the river, which lapped a stone supporting wall.

Khorramshahr was an important cargo port, and a rail branch line joined the wharves in the Shatt-el-Arab river with the station. Three British companies had established agencies there, and employed Persian labour to handle quantities of freight.

British commerce was also represented by the Bank of Iran and the Middle East, and the bank office and house where the manager, Mr Michael Alexander, lived were about a mile from the wharves.

An exclusive men's club, the English Club, had been formed by the British Khorramshahr residents with many of the Abadan oilmen. A club swimming pool was situated close to the British consulate.

The oil board, putting the act of nationalization into immediate effect, asked the Company for accommodation for its members. The attractive, comfortable homes of the British staff were an irresistible lure to the Persians, who considered that all the Company's property was theirs.

The Company, uncertainly playing the genial host, agreed to move the British oilmen from Bawarda. It was part of the Company's plan for security to congregate the British at Braim, but the men would have preferred to have moved without the implied compulsion of and submission to the oil board.

Hussein Makki and four others moved into the bungalow which had been occupied by Briere Edney. Since his wife

and children had flown to Britain a few days previously, ~~it~~ had lived alone in the house at Bawarda.

At the instruction of K. B. Ross, he and the remaining oilmen moved from the estate. In less than a day, the oil board had achieved an unobstructed victory over Company property. It was an effortless performance with a timing which had impressed many wavering Persians, while the board planned a more vigorous thrust.

The Company could scarcely deny accommodation to its Iranian Government "guests", Drake told the Press. Other officials were pleased that the board was content to reside at Bawarda, instead of Braim, or Khorramshahr, where the presence of Persians might offend the British staff.

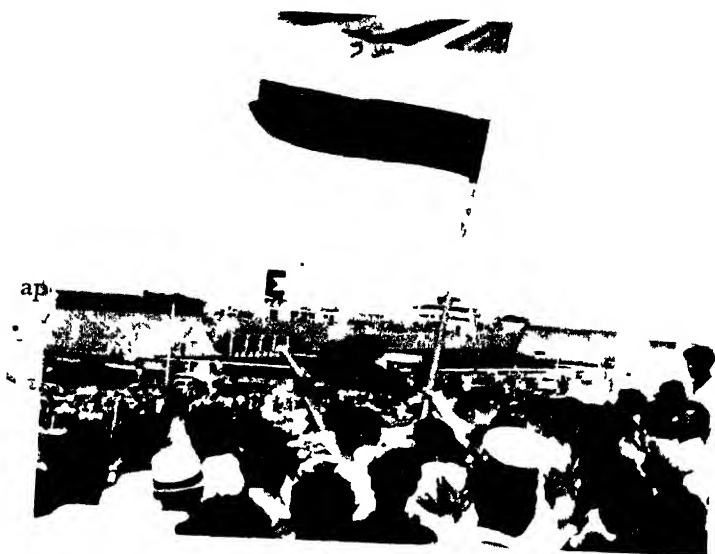
Though the ringmasters were in Abadan, the oilmen continued to believe there would be no performance of the promised Mossadiq circus. "I don't know why the newspapers bother spending their money in keeping you fellows here," one executive said seriously.

Even the events of two days later did not shake the British confidence that Mossadiq secretly was making schemes for an agreement with the A.I.O.C., and that the Oil Board could return to Tehran with the glib excuse that Persians had attained their ideals.

The Oil Board had circulated a proclamation among the Persians announcing that it was going ahead "in accordance with the Nine-Point Law" with the transfer of British assets to Iranian control. It invited the workers to a festival presentation of its act on 11th June, the week's end.

Only the Persian watchmen were on duty when about three thousand Persians assembled outside the Company's Khorramshahr block at noon.

The Imperial Navy band played patriotic marches while Governor-General Ala'e, Military Governor Kamal, Admiral Shahin, oil board secretary Hussein Makki and the Board, with its vast team of advisers, landed from Abadan at the jetty outside the building.



INTERNATIONAL PRESS
 PERSIAN DEMONSTRATORS RAISING THE IRANIAN NATIONAL
 FLAG ABOUT THE AIOC REFINERY AT ABADAN



INTERNATIONAL PRESS
 PERSIAN ARMY TANK GUARDING A STREET CORNER IN THE BAZAR
 AT TEHRAN



BUENOS AIRES
 A.T.O.C. REFINERY GENERAL MANAGER, K. B. ROSS, CENTR
 ACCOMPANYING HUSSEIN MAKKI ON A TOUR OF OIL INSTALLATIONS.



A.T.O.C. REFINERY GENERAL MANAGER, K. B. ROSS, CENTR
 ACCOMPANYING HUSSEIN MAKKI ON A TOUR OF OIL INSTALLATIONS.

Makki, carrying an Iranian flag, proclaimed to the crowd that it was about to witness a visible portrayal of the nationalization undertaking. Persian military officers saluted as he tramped into the offices.

Shahin stood on a low wall bordering the building, and cried, "Nationalization is really under way," as Makki hoisted the Iranian tricolour from a flagstaff on the roof of the block. The crowd sang the Persian national anthem, applauded for more speeches, and sacrificed two sheep.

A Persian nailed a board to one of the entrances—"Provisional Board of Directors for the Nationalization of Oil". The mob squeezed madly forward to admire the sign as though it was a magic talisman.

Drake's grim comment later was: "The flag will remain on the building. We don't care how many flags they put there!" Then he disclosed that he, with two senior British executives, Alick Mason and L. H. Baxter, and the Company's legal adviser, Bozorg Mehr, had conferred with Ala'e, Bazargan, Bayat and Ali Abadi.

It was, in Drake's description, "a courtesy call".

He reiterated: "While they are in Abadan, they are guests of the Company. This is the usual hospitality extended by the Company to distinguished representatives of the Persian Government during visits here."

But the Persians had gained from this hospitality two rooms in the Khorramshahr block for Oil Board use, and they had urged Drake to promote "with rapid co-operation" the procedure of nationalization.

Iranian Government officials were rare visitors to the oil fields and refinery, and none of the Oil Board chiefs had inspected the Abadan installations. As a prelude to succeeding talks, they flew with Drake and Ross in the Company's freighter aircraft on a half-hour aerial tour, at a low height. When they landed, their possessive itchiness to take over the giant enterprise was unbounded.

Soon they had issued another notice to Persian workers.

Nationalization had begun; all Persians and foreign technicians and staff should remain at their posts, but consider themselves employees of the National Iranian Oil Company, announced Bazargan, Bayat and Ali Abadi in the statement.

The temporary Board of Directors would do its best to carry on the existing programme, they told the workers. "Persians are expected to show patriotism by working as hard as possible, and co-operate with foreign technicians in the traditional manner of Persian hospitality," the statement concluded.

To emphasize its superiority, the Board would not meet Drake in his office, and ordered the general manager to the downstairs rooms for conferences. The Persians liked their rooms tightly-shuttered, and worked by electric-light, in contrast to the British preference for unshaded windows.

Soldiers with bayoneted rifles patrolled the courtyard, and armed police were stationed inside the building at the stairway, and the doors of the Oil Board's rooms.

Hussein Makki was troubled. The firebrand had to dim, if not douse the flame of his firebrand's torch. His stratagem to gain support for nationalization had been violence; now Mossadiq was insisting on calm, and Makki was to be the peace-maker.

Throughout the oilfields, where the go-slow was spreading, thousands of Persians were ready to attack the British at his command. He had to tame the impassioned spirits he had incited, without abandoning the motive of nationalization.

"We welcome the Persian Board, so long as it does not interfere with management," Drake had said. But Makki knew that only obvious displays of the Board's power could check his devoted followers, that soon it would have to be Persian and not British officials who issued instructions.

As an ostentatious performance of its concern for the wel-

'fare of the people, the Board arranged a publicity-seeking motor tour of the Company's Persian housing areas. At the Board's request, Drake and Ross guided the Persians around the dwellings and the refinery.

Persian journalists and photographers flocked around Makki, who was contemptuously sneering for their benefit. He directed the photographers to take pictures of the worst conditions, and included himself in distinctive poses to show that he was still the fighting crusader.

When he saw a Persian labourer who had taken off his shirt in the heat, and was working in thin, cloth trousers, Makki told him, "When we take over, you shall have the finest shirts, and will never need to go about unclothed again."

He poked into Persians' homes, rejoicing when he found them over-crowded even though the inhabitants were lodgers or relatives not employed by the A.I.O.C., and castigated the Company for permitting unfit conditions.

"Now let's see the pigs," he muttered tersely at the end of the excursion.

The complications of the refinery plant were meaningless to Makki. Perhaps the only Board member who grasped a glimmer of the processes was Engineer Bazargan. But the Board was unconcerned and unimpressed with the technicalities, for it was as sure that the British would continue the oil production as the Company was certain that the Oil Board would never take over the installations.

My frontier pass expired on the same date as Leasor's. Together, we applied to the Abadan chief of police for a renewal.

He answered firmly he had not the authority, that we should apply to the military governor. But Kamal was not willing to accept this responsibility; he suggested we try the Khorramshahr chief of police.

The Khorramshahr official said, definitely, that it was an Abadan duty.

For five days they fobbed us off; when the passes had almost expired, the Abadan police chief warned: "If you remain in Abadan, you will be arrested, and removed by force."

Ala'e and Makki, whose authority the officials would not have questioned, were indifferent to our problem, and recommended applying in Tehran. Then vice-consul Evans arranged a forty-eight hours' extension through the naval commander, who offered to telegraph Tehran for approval.

But Tehran did not reply; British correspondents were waiting futilely for permits there. Reluctantly, Shahin endorsed our permits again, averring that he was exceeding his authority. Five days later, after journalists in the capital had complained of dilatoriness to the Prime Minister, Mossadiq denied that his Government was attempting to eliminate news correspondents from covering events in Abadan. The correspondents got their passes; and the Abadan police chief renewed ours without demur.

If Shahin had transgressed, Mossadiq made no announcement of it, but in a couple of weeks the commander was transferred to a post in Tehran where he was less likely to be useful to the British. His successor was Commander Daftari, a cousin of Oil Board member, Dr Matin Daftari.

When the British delegation had arrived in Tehran for the first oil talks, the Company's representatives were Basil Jackson, deputy-chairman of the A.I.O.C., Sir Thomas Gardiner, a British Government nominee on the board of directors, N. A. Gass and E. H. O. Elkington, two other directors.

The Persians they were to meet were Minister of Finance Ali Varestah, Minister of Education, Karim Sarjabi, Minister of Posts and Telegraphs, Yusuf Mushar, Mixed Oil Board member, Dr Shaygan, and the under-secretary to the Minister of Finance, Kazim Hasibi.

At a ninety-minute meeting, the Persians demanded that the Company in London and Persia "should henceforth deal

with all matters affecting Persia, and falling within the province of the temporary Board of Directors"; that money received by the Company from the sale of oil products from 20th March should be handed to the Iranian Government, which would deposit twenty-five per cent. in a bank against any claim for compensation by the Company; that the Company should render a statement detailing all oil sales and transactions from 20th March.

Utilizing the delay while the British delegation was contemplating the proposals, and referring them to London, Dr Mossadiq hurled another propaganda message at the Company, in replying to President Truman's letter.

The Anglo-Iranian Oil Company was keeping living standards low in Persia, he alleged. More cordially, he added that he wanted to protect friendly relations with Great Britain.

Hoping that Mossadiq was relaxing, the British delegation submitted to Varestah alternative proposals, on 19th June:

"In the aide-memoire which his Excellency the Minister of Finance handed to the Company's chief representative in Tehran at the end of last month, it was indicated to us that the Imperial Government was anxious to benefit from the experience and knowledge of the Company, and was prepared to take into consideration any proposals made by the Company, provided that they were not at variance with the principles of the nationalization of oil.

"We wish to make at once a constructive interim proposal as an earnest of our desire to reach as soon as possible a workable arrangement by which the Government may be able to use the Company's experience.

"Accordingly, the delegation has authority from the Company to place at the Government's disposal the sum of £10 million as an advance against any sum which may become due to the (Persian) Government as a result of an eventual agreement between the Government and the Company, on the understanding that the Government undertakes not to inter-

ferre with the Company's operations while the discussions are proceeding.

"We further offer to pay the Government the sum of £3 million a month from July onwards during the period which may ensue before an arrangement is reached.

"I (Jackson) said at our previous meeting that we were most ready, whilst fully reserving all our rights, to try to work out with you a satisfactory arrangement which would maintain the efficiency of the industry, and would be consistent with the principles of nationalization. We have it in mind that a scheme on the following lines might form a possible basis for an arrangement:

"The Persian assets of the Company would be vested in a Persian National Oil Company, and in consideration of such vesting the National Oil Company would grant the use of the assets to a new Company to be established by the Anglo-Iranian Oil Company Limited.

"The new Company would have a number of Persian directors on its board, and would operate on behalf of the Persian National Oil Company. The distribution business in Persia would be transferred to an entirely Persian-owned and operated Company on favourable terms as regards the transfer of existing assets.

"The above is an outline only of a possible framework. We put it forward as a constructive effort to suggest a basis for discussion.

"We have given the fullest possible consideration to the points made by his Excellency the Minister of Finance at our meeting on 14th June.

"If we were correct in understanding that his Excellency's suggestion was that as from 20th March the Company should hand over to the Government the total proceeds (less expenses) from sales of Persian oil, from which twenty-five per cent. would be deposited in a mutually agreed bank against any probable claims of the Company, we cannot agree to such a suggestion.

- "The delegation has come out for discussions, and regards it as unjustifiable that the Persian Government should put forward a demand of this kind before discussions have even started.

"We are, moreover, confident that when in our future talks we have been able to explain to you in more detail the machinery of our business, you will come to agree with us that such a demand would be neither commercially possible, nor acceptable to any oil company."

These proposals for a Persian National Oil Company were too similar to the previously rejected suggestions of 26th April to appeal to the Prime Minister, who had pledged himself to rid the country of the foreign controlling interests in the oil industry.

Mossadiq could not tolerate a "middleman" organization to sell oil to the Anglo-Iranian Oil Company. In his exalted vision, he saw the world tanker fleet traipsing directly to Persia's shores, and departing, contentedly replete, after paying Persia's price.

Five days before he received the delegation's aide-memoire, he had instructed the temporary Board of Directors in Abadan to issue a world-wide advertisement offering Persian oil for sale:

"Temporary Board of Directors Representing the National Iranian Oil Company.

"Notice for sale of oil products.

"All customers of oil products who buy for export are notified that within one month from this date they may obtain their requirements from Abadan against receipts.

"Within one month of this date, payment must be paid to the temporary Board at international prices.

"The price after the expiry of this month shall be at international rates to previous customers of the Anglo-Iranian Oil Company up to the quantity bought by them between 1st January, 1948, and 20th March, 1950.

"Priority will be given to previous customers to buy the

balance of products, which will be available at competitive prices."

The temporary Board simultaneously ordered Drake to hand over the Company's accounts from 20th March, and a register of oil purchasers. The Company was to pay seventy-five per cent. of its revenue to the Persian Government, and deposit the remainder in a bank "for final settlement of compensation".

Determinedly, Drake told the Board he had no authority to grant these demands.

If he continued to refuse, the Board replied, he would be liable to prosecution under the Nationalization Laws, for impeding the progress of nationalization.

Mossadiq had devised a crude cudgel with which to batter opposition, and, by implication, he made it clear that Company officials would be sufferers unless they conceded to his policy. This was the "Anti-Sabotage Bill", not yet introduced into Parliament, but with its terms widely publicized by the Prime Minister.

The Bill prescribed the death penalty, or heavy fines and imprisonment, "to any person treacherously or with evil intent" who interfered in the activities "in connection with the operation of the Persian oil industry, resulting in the cutting of oil pipelines, or rendering unserviceable refineries or facilities for the transport of oil, or causing fire in oil wells, or oil storage tanks, or causing destruction of railway lines, tunnels, bridges and rolling stock".

The Persian Government would interpret resistance by Drake, or any Company executive, to comply with the Board's orders as "sabotage". With the threat of the "Anti-Sabotage Bill" looming over the oil operations and discussions, Mossadiq anticipated an early British submission to his plans.

Hussein Makki was more vehement. If the British did not agree to pay the seventy-five per cent. within forty-eight hours the Board would enforce its control of the Abadan refinery.

"I will turn off the valves, and stop the flow of oil through the pipes so that the A.I.O.C. will be unable to continue its deliveries to the tankers," he asserted.

Drake, contemplating the intricate re-cycling processes of the oil from the wells and through the super-heated distillation units, later commented thoughtfully:

"The results will be explosion—and catastrophe!"

CHAPTER EIGHT

ALI VARESTAH telephoned Prime Minister Mossadiq urgently. The British delegation showed no intention of acceding to the Premier's demands, he told Mossadiq.

"Tell the British you have authority to negotiate only within the framework of the Oil Nationalization Laws," directed the Prime Minister.

"The discussions are at an end!" he added, with finality.

Next day, the sombre British delegation heard of new plans, declared by Mossadiq in a Radio Tehran broadcast, with the affirmation: "Fifty years of Imperialism in Persia ended to-day!"

The Government had decided:

1. That executive orders and decisions by the Anglo-Iranian Oil Company officials must be countersigned by a member of the temporary Board of Directors.
2. Persians would take over the administration of Kerman-shah refinery and Naft-i-Shah oilfield.
3. Persians would take over all other departments of the Company, including the administrative and sales offices in Tehran.
4. All A.I.O.C. signboards and posters were to be re-named, "National Iranian Oil Company".
5. Revenue from oil sales was to be deposited in the National Bank of Iran, to the account of the National Iranian Oil Company.

6. The Anglo-Iranian Oil Company information department was to be dissolved.

Tehran mobs demonstrated their approval of the new Mossadiq dictum, by attacking A.I.O.C. offices in Tehran, in the afternoon when the British staff had left. While Persian police stood idly on the fringe of the crowd, rioters stripped name-plates from the Company's doors, and ripped posters off walls. They stormed into offices, and tore up Company papers and documents, scattering the litter into the street. Then they marched to the Majlis, to chant to Dr Mossadiq of their achievement and loyalty.

Mossadiq's inability to reconcile the British proposals with his Nine-Point Law seemed to bewilder the British Government.

Mr Morrison, with a sad and puzzled air, said in the House of Commons: "Money for present needs is there, acceptance of the principle of nationalization is there, and an obvious foundation for a fruitful partnership is there.

"His Majesty's Government are convinced that all fair-minded opinion will regard the Company's proposals as eminently reasonable. Unhappily, however, the Persian delegates required only half an hour in which to arrive at a contrary opinion!"

The British Government decided to try to forestall further Mossadiq action by a quick request to the Hague Court, asking for an interim injunction calling upon the Persian Government not to prejudice the position of the Anglo-Iranian Oil Company while the British Government's application to the Court was awaiting a hearing: and asking the President of the Court, Judge Basdevant, to telegraph a request to the Persian Government to suspend any action which might prejudice the Company, while a decision on the application for an interim injunction was unsettled.

Fresh waves of nationalistic feeling in Abadan, manifested as irritating "pinpricks" against the British.

Two British oilmen whilst walking by the refinery at night

were rammed by a young Persian cyclist. As they turned to avoid the youth, he circled, and rammed the men again. Although sorely bruised, they tried to chase him, but he escaped in the dark.

Sometimes military officers were responsible for intimidation. A couple of army officers beat up an Armenian working in a Company store, after he had told them he was unable to find a box in which to put razor blades they had bought in the store. Though the Company supposed its stores to be exclusive to the British and Persian staff, assistants had long been afraid to refuse purchases from Iranian Army officers who bought goods at prices considerably cheaper than in the bazaar.

The Company's Persian-language newspaper was under a temporary suspension on the order of Kamal. He had objected to a report that the Company planned to evacuate the British staff, if the Persians attempted to stop the flow of oil.

"Reports of this nature cause anxiety among Persians," growled Kamal to the editor, Shamsi-she-Davari. The governor withheld publication of the paper for two days as a warning against future offence.

The hindering resistance of Persian workers to British management had slowed maintenance in the oilfields and refinery, and the flow of oil was declining. Refinery production eased from the capacity of 20,000,000 gallons a day to 16,000,000.

With the lower output, and delays by Persian officials authorizing Customs clearances, the shipping turn-round slackened, and fewer vessels were loading.

Hussein Makki deferred executing his threat to shut off the twenty-eight oil-loading valves to the jetties. Since his pronouncement, he had regretted the promise, for now he understood its impracticability.

But the Persians were expecting appeasement by show. As a spectacular alternative, Makki suggested another flag-

raising ceremony. This time he would hoist the national banner above the refinery buildings, to signify acquisition of the Abadan plant by the Iranian Government.

But Makki forgot to advertise the performance, and few workers went to see. Irately, Makki postponed the performance until knowledge of his intentions had seeped through the bazaar and works.

His second effort was successful. After addressing a crowd of three thousand, advising the people to work calmly with the British oilmen while the Board directed the activities of the oil industry, Makki fixed a flag to the roof of the refinery offices.

It was not an exciting demonstration; there were no sacrificial animals, and troops present were clearly posted to keep order. But an unrehearsed highlight, which drew cheers from the British, happened when the flag almost toppled off the roof. It was saved only by a quick snatch by an oil board member, Abbas Mazda, who had accompanied Makki.

Kamal's troops guarded the Persian-language paper offices to ward off Persian trouble-makers and British staff while the presses printed a proclamation from Military Governor Kamal. One of the staff, in reprisal for Kamal's treatment of Editor Davari, and his continual disparagement of the paper, surreptitiously pulled out a main fuse, which stopped the presses.

While the soldiers fumed at the supposed inefficiency of the Company printers, the operators pretended there had been a major breakdown. After five o'clock in the morning, they resumed printing, but the hour was too late for the proclamation to be distributed adequately through the bazaar.

This document, signed by the temporary Board, and printed in Persian said, "foreign employees who stayed at their posts would be regarded with respect and admiration by Iranians".

It counselled Persian workers to think of the British as

"trusted colleagues, and show hospitality and affection toward them". An important clause concluded the proclamation: "Foreign employees wishing to leave would not be discriminated against, nor prevented from leaving the country."

The Board ordered Company managers to distribute an English translation to the British staff, but they refused, saying the Board had no authority from the Company to issue instructions.

In retaliation for this snub, the Board excluded Consul Capper from the next discussions with Drake, in the Company's Khorramshahr offices. Drake expostulated, and walked out of the meeting-room with the consul.

Unable to deliver their demands verbally, Bazargan, Paryat and Ali Abadi wrote nine brief letters to Drake which they insisted he was to answer at once.

"This is direct interference with Company management. If conditions become too intolerable, the British staff will not stay on," retorted Drake when he had read the letters.

The first asked whether he wished to continue in the service of the National Iranian Oil Company.

The second ordered that no instructions issued by Drake in writing conveyed any authority unless countersigned by the temporary Board of Directors;

The third instructed Drake to send for Dr R. Fallah, the Company's recruiting manager at Tehran, and one of the senior Persian staff;

The fourth asked Drake to nominate three responsible employees to represent the employees at the Board for the settlement of Persian labour disputes, and to investigate grievances of Persian workmen;

The fifth insisted on the dissolution of the information department;

The sixth repeated the familiar cry that the Company must pay oil revenues into the National Bank of Iran;

The seventh forbade the use of the name "Anglo-Iranian Oil Company" in Fields or Abadan;

The eighth informed Drake that the Board had appointed two Persian accountants to supervise and check the Company's oil sales;

The ninth stated that there was to be no further leave for staff.

But without the co-operation of the Company, the Board could not enforce its commandments, and as each of the Board's terms was contradictory to the Company's management, the British staff ignored the regulations.

The exertions of the Board to accomplish executive control, and the mounting tension of the workers, spurred the withdrawal of women and children. Extra aircraft flying emergency services were evacuating about 300 British a week.

By 12nd June, planes were needed for only 160 women and children; but the Company was retaining its nurses in Fields and Abadan, and Vera Flavell, at Riverside.

Husbands concentrated their off-duty hours hectically hunting for packing-cases. There was no occupied bungalow in the oil city which was not stacked with crates; all the oilmen had realized that those who stayed on would live in a wooden wilderness.

The departure of Mrs Drake in the middle of June had been the signal for closing the formal social season. Eric Drake shared with his staff the burden of packaging boxes. He omitted the Company's heavy furniture and room fittings, yet his verandah was filled with five large cases.

Among the furniture which remained in K. B. Ross' home was a small grand piano, and a radiogram.

Company property—the air-cooling machines, beds, chairs, tables, sofas and other furnishings which some bungalows contained—were to be relinquished with the houses. This conserved space on the freighters for private belongings. Persian Customs officers, at the Oil Board's direction, zealously scrutinized each article to ascertain whether it was a Company chattel, and there was often

heated argument between the officials and oilmen in clearing possessions.

Dealers—"wallahs"—from the bazaars of Iran herded in a vulture-like swoop for spoils from the evacuation. They stopped oilmen in the streets, and canvassed bungalows, with offers to buy carpets, cars and furniture.

Frequently they gained cars for less than half the price which the oilmen had paid; but after considering the uncertainties of shipping, and the intricate Customs formalities in Persia and Britain, many oilmen preferred to accept the dealers' capricious values.

Sometimes an oilman, plagued by a dozen or more dealers in a day, irascibly would sell the movable Company furniture. The motive was not profit, but the desire to assuage a pestering irritation.

Persian carpets were a treasure from which the oilmen did not part so readily. They surrendered other bulky articles in their homes to preserve these valuable trappings.

The bazaar wallahs pried into the houses to ascertain the possessions which would be sealed inside after the occupants had left. They noted these carefully, with an acute observation of obstacles which might impede later plunder. Where they could not secure entrance to the bungalows before the families left, they bribed servants for information.

Many of the bazaar wallahs earned the oilmen's evaluation of them as the meanest and most rapacious birds of prey.

Colin Reid, Walter Farr and Peter Webb, British United Press reporter who had flown from the Korean battlefield, joined Leasor, White and myself as the regular Abadan corps; soon to be reinforced with Douglas Willis, of the British Broadcasting Corporation.

Alan Clarke, of London's *Daily Herald*, John Fisher, of the Kemsley group, Bob Long, Associated Press of America, Flora Lewis, of London's *Observer* and her husband Sydney Gruson, of *The New York Times*, Homer Bigart, Pulitzer Prize-winner, of *The New York Herald-Tribune*, Jacques Mar-



HUSSAIN MAKKI

HUSSAIN MAKKI IN THE ATOC'S OFFICES AT KHOKRAMSHAH



ALI KHANDANI

ALI KHANDANI, ATOC CHIEF, AT PEIN ALADA



Black Star K-1000

TABLE 1. *Phylogenetic relationships of the 12 taxa*

Phylogenetic relationships were determined using the maximum parsimony method. The tree was rooted with *Phylogenetic relationships of the 12 taxa* as shown in the figure. The scale bar represents 0.1 substitutions per site.

Fuse, of the French agency Agence France, and newsreel cameraman Robert Hecox were among correspondents who sallied to Abadan during weeks of lax political tension in the capital.

The correspondent of *The Times*, Arthur Hutchinson, was implanted steadfastly in Tehran, recording diplomatic activity; at his request, I became the "special" for that paper in addition to my Abadan briefs for the *News Chronicle* and Exchange Telegraph news agency.

This rapid influx of Press correspondents overwhelmed Mrs Flavell, and there was one awkward moment of confusion when Flora Lewis and Sydney Gruson registered for a double room, but signed the visitors' book with their newspaper names. Not until Flora Lewis had signed her married name would Mrs Flavell deliver the key.

With the Press occupying almost one-third of the accommodation, Mrs Flavell was impossibly beset with the problem of finding rooms for all the oil families evacuating or going on leave.

We agreed with Company officials that a shift to alternative quarters would alleviate the dilemma; so we transferred temporarily to a former Royal Air Force encampment, on the edge of the desert behind Braim—"Malaria Mansions!" exclaimed Bob Long. Our nearest neighbours were Persian troops, manning a base of sixteen light tanks and a few armoured cars.

Uncomplainingly, because of necessity, we settled into the billets, but soon found them ill-adapted to the peculiar requirements of Press work. Indeed, our two-week's stay at those incubating hutments, during days when thermometers recorded the highest sun temperatures since 1914, suggested the reason for the 80 per cent. resignations of British first-year Abadan staff.

We shared double rooms in these squat shells. Although the heavy-bladed fans whirled unceasingly, the rooms never cooled below the outside heat. When we left the

rooms to visit Drake or the Oil Board, we handed the key to our Iraqi servants; frequently on returning in the evening we had to indulge in a short-tempered game of "Hunt the Houseboy", to unlock the doors.

One persistent caller was a young Iraqi pedlar, with a travelling bag filled with filigree Eastern silverware, mainly women's bracelets and powder compacts.

"The British going, no good," he intoned sadly as he squatted on the doorsteps. The youth and his father made the wares by hand during winter at the little shop in Baghdad. In summer, the boy travelled with dozens of other vendors to Fields and Abadan, to sell the trinkets to oilmen going on leave to bring home as gifts.

But this year, the oil families were too distracted to admire his goods, and Persians were rare customers.

Many oilmen resented the presence of the Press, and thought that reporters were callous in their objective treatment of the plight of personal suffering.

It was not the function of the journalists to be propagandists for the Anglo-Iranian Oil Company, but to deliver an impartial survey of events both in Tehran and Abadan.

The Company's information department was intended to propagate details of its operations and purposes in Iran, a task which achieved indifferent success in overcoming the hurdle of emotional Persian nationalism.

The British loss of Abadan has been described as "a tragedy of public relations". The Company had reckoned too much on, and waited too long for, Persian governments to tell the Iranian people of the Anglo-Iranian Oil Company's offers. But, in their frailty, the governments had prevaricated; finally, when the Company judged it would have to exploit its own publicity resources, the avalanche of Persian opinion was sliding irrevocably against the British viewpoints.

Mossadig's gesture in closing the Company's information

department had been a shallow triumph, for the Prime Minister was aware that by its past submissiveness the department was no menace to Persian unity. Like a wrestler entering the bout, he had flexed his muscles to betoken strength, and had provided the crowd with a popular thrill, more cheaply glamorous with the Premier's denunciation of the Company staff as "spies".

Persian journalists, with the connivance of their Government, could be scurrilously biased in their invective. Foreign correspondents, including British—for whom the events in Persia were significantly allied to Britain's commercial and social relationships diffused throughout the world—tried for more balanced versions.

In his treatment of foreign correspondents, Mossadiq exerted more caution, though the expulsion of Nicholson and Delmer was ordered in a moment of petty intimidation. Officially, there was no censorship, but the Government watched the Press despatches secretly, and occasionally was disposed to delay transmissions if a piece did not meet with its approval.

Mossadiq shrewdly divined that by splitting his news sources, he could gain greater publicity of his achievement, to the confusion of the journalists; so the Oil Board in Abadan was empowered to deliver expressions as authoritative as those of the Prime Minister or his Cabinet.

Mossadiq conferred with Makki each day by telephone. After their deliberations, Makki often reported the mood of the Prime Minister's mind—though irresistibly marring the context with his personal embellishments—while Mossadiq was discreetly silent or vociferously vehement as he chose.

The A.I.O.C. viewpoint was expressed by the Ambassador, or Counsellor George Middleton, at the British Embassy in Tehran, by Company chiefs in Tehran, Abadan and London, and the British Government.

Sometimes, particularly during periods of discussions between the two countries, the British and Persian Govern-

ments would issue identical statements, and neither would comment more openly on the interpretation of these pronouncements. In Britain, the Company and Government often co-ordinated statements, which took the form of Ministerial statement in the House of Commons.

Delving to greater depths for news, reporters interviewed privately British Government and Company officials, and the Persian Cabinet. Mossadiq rarely refused an interview but required journalists to submit their questions, written in French, before he would concede to a meeting.

The Press conference was the indispensable core for new distribution, popular with Company and Government officials because it enabled them to meet correspondents in bulk but less liked by reporters seeking exclusive news angles.

Press conferences and public relations hand-outs tend to kill the "scoop"; newspaper proprietors have hastened its demise by buying quantities of identical "processed" news from agencies, instead of employing more reporters to ferret exclusive aspects.

A reporter's peace of mind is governed by the reliability of communications; Persia was permanent insomnia. The electrical impulse which urges a story from its source to destination is the lifeblood of a reporter's work—the best communications' currents from Abadan remained a hap hazard, anæmic trickle.

In tranquil days, the Company had operated private telephone and teleprinter lines to Tehran and Basra, augmented by a low-power radio station, licensed by the Persians to allow the Company to communicate with tankers, or relay Company business through Tehran. But with the advent of the Oil Board, the Persian Government had sealed the telephone and teleprinter connections.

The Government possessed a wavering telegraph line from Abadan, through Khorramshahr, but messages were two days distant from the capital when the system was working at its most competent speed. The apparatus was obsolete,

and adapted for brief telegrams; conceivably it could not cope with wordy Press despatches.

The alternative, the Government telephone exchange, also was old-fashioned, and easily overloaded. Phone calls to Tehran had to be booked about a day ahead, and voices were faint and blurred over the noisy line, frequently interrupted by other switchboards. Pilfering of the copper telephone line was a happy occupation for many peasants along the 600-mile route, so days could elapse between the opening of a conversation and its conclusion.

Basra was a simpler outlet, even through the Persian Government telephone exchange, with connections secured after relatively short delays. But usually talk had to be conducted at the top of one's voice, with words spelled slowly when reception was at its worst.

Drake rejected a Press suggestion that we use the radio link with Tehran. The station was limited by its licence to Company messages, and the Persian Government might object, he said. It would not be appropriate for the Company to apply to the Iranian Government for permission to extend the facility to the Press, he added.

Nor would Drake provide a Company taxi to convey our press copy (all material for publication is known as "copy") to the Iraq frontier, but he was able to assist helpfully in its dispatch.

Our outlet for news was the tiny telegraph office at Basra. For several weeks it was hopelessly overwhelmed, until the Iraqi Government installed more apparatus, while we suffered delays for as long as twenty-four hours.

There was a pattern for news coverage in Abadan. First, a conference with Drake between nine and ten o'clock in the morning; then we wrote the stories in a small Company office adjoining the administrative block. A Persian staff clerk hired for us a taxi, which drove from Khorramshahr at noon to the frontier.

Local fishermen paddled the copy across the Shatt-el-Arab

River, at the border, in frail canvas canoes. A taxi, arranged by the Iraq Petroleum Company, received the copy, and carried it to Basra, where one of that Company's British staff ensured its passage to the Basra telegraph office.

Once we had sent our stories, we met the Oil Board; any gleanings from that interview were referred to Drake for comment, and again we settled to writing the follow-up stories, which followed their predecessors later in the afternoon. Often, we supplemented these interviews by meeting the consular staff and other British residents.

If we wrote from Abadan Island, a Company taxi linked it to the Khorramshahr-Basra service.

Haigh Nicholson was in Basra for Reuters, forging a chain of communication between Abadan and London which flashed news swiftly to Fleet Street; his associate, Harry Whyte, was always sure of a "beat" by several hours ahead of rival agencies.

Two London newspapers, the *Daily Express* and the *Daily Mail*, also maintained correspondents in Basra, trained journalists flown from London, who kept the Basra line open for their Abadan colleagues.

In the evening, at seven o'clock, all lines to Basra and Tehran closed; there was no late-night "scooping", and reporters were forced into compulsory retirement.

Our working day was a restless one of ten hours or more, often in nearly unendurable heat greater than 115°. We sustained it steadily, while temperatures climbed to the peak on 11th July of 175° in the sun, and 123° in the shade.

The Company's chief information officer, Julius Edwardes, had returned to Britain on leave, and his assistant, Bob Knowles, was in charge of Press arrangements. His headquarters was his Braim bungalow, for the Persians were in full charge of the information department building.

One of their first acts had been to commandeer the Company taxis allocated to visitors.

Hamzavi, the Persian who had been the Company's re-

ceptionist for guests, was now clerk in charge of the building, and anxious to appease his new masters.

Knowles was a newcomer of recent months to the Company, though he had spent several years in Persia with the British Council. He was unaccustomed to handling so large a volume of correspondents, whose varied questions handicapped his willing ability.

He was a buffer between Drake and the Press, for both Drake and Ross disliked giving Press conferences, not from modesty, but from the fear of reprisal from the Persians if they became too clearly associated with Company propaganda.

Initially, Drake adopted a policy of neither confirming nor denying information which the Press brought to him for checking. But after the establishment of the Oil Board, he had to relax in rebuttal of the one-sided revelations of the Persians, and spoke mainly off the record.

The Persians were accusing Drake of deliberate sabotage, for continuing the withdrawal of oilmen due for leave. Matin Daftari was insisting on Drake stating whether he would work for the National Iranian Oil Company, coercing the general manager with the threat of arrest.

The Board expected tanker skippers to sign receipts acknowledging that their cargo of oil was the property of the National Iranian Oil Company, and that payments were due to the Persians.

The Company had ordered masters of vessels flying the British Tanker Company's flag to reject the receipts, even when it meant that the Persian Customs would not grant sailing permits to the ships. Captains of other tankers owned or chartered by different oil companies collaborated in the refusal. •

Although the vessels continued to load oil, the Persians stopped the supply of aviation spirit by pipeline to Iraq. Most of it had flowed to the Royal Air Force bases of Habbaniyah and Shaibah.

While the Oil Board was printing the oil receipts at the Company's printing press in Abadan, the Persians appointed Governor Bezhadi, Fraid Ounfar, assistant director of finance, and a religious leader, Eghbal, to assume control at Kermanshah and Naft-i-Shah, where thirty British families lived.

The Company's manager, D. R. Hobson, told the Persians that, as an Anglo-Iranian Oil Company employee, he had not the authority to turn over the installations.

Unwittingly, a Persian Customs officer handed the master of the Shell Company's tanker, *Dolobella*, a sailing clearance without the captain's signature on a National Iranian Oil Company receipt form. The Persian in charge of receipts, Ashfar, ordered Drake to recall the vessel, for it sailed at once, vowing that the Iranian Navy would apprehend the tanker if the Company did not act.

Drake spoke quickly to Major Capper, then defied the Persian instruction. It was the last consignment of oil to leave Abadan while the British were still in occupation of the oilfields.

For his insubordination, Drake was warned that he must accept employment with the National Iranian Oil Company. "Otherwise", the directors told him, "we will recognize you as having resigned, and will appoint your successor."

Because of the imminence of the presentation of the Anti-Sabotage Bill to the Majlis by Dr Mossadiq, and the black-mailing of Drake by the Persian oil authorities, the British Government ordered the general manager to quit Abadan.

Only senior Company officials knew when Drake sailed to Basra in his launch that the departure was permanent. His successor, Alick Mason, who was to be the Company's chief representative in Abadan until the final evacuation, parried questions diffidently with the reply, "Mr Drake is in Basra on Company business."

The Oil Board was furious at the unexpected escape of the general manager. In retaliation, the directors refused to

acknowledge Mason as an official of the Company, and scorned his authority.

Two days later the oilmen read a letter which Drake sent them from Basra:

"You will have heard from the B.B.C. broadcast the Foreign Secretary's statement in the House of Commons that on the Ambassador's advice I am carrying on my work for the time being from Basra. You will also have learnt the reasons for that advice.

"I should like you to know that I am continuing in full and effective control of management, and I want you for the time being to put up with the very difficult circumstances in which I now ask you to continue to keep the show going.

"Do not listen to rumours. Avoid giving the least provocation to the Iranian Government officials who are carrying out their orders. Do all you can to help our fellow-Iranian employees who are in a most difficult position. I know you will behave with dignity if provocation should be offered to you.

"I am confident that we can, in this way, keep things going for at least another three or four weeks, by which time, if reason should at last prevail, our gigantic enterprise can be spared from the damage which is inevitable if we leave it.

"Meantime, please rest assured that nothing is being left undone to provide for your safe evacuation from Iran should the worst come to the worst.

"I have told London that they may continue in the absolute certainty that we all know where our duty lies during the next few weeks. Let us carry on as long as we can."

Drake's sudden departure had been a shock to the British oilmen, and his letter did not soothe them. Why, they argued, had he left when the Persians were as effectively, but more covertly, intimidating the Company's chief in Tehran, Dick Seddon?

The Oil Board had asked the British staff who did not wish to join the National Iranian Oil Company to submit their resignations within a month. On 27th June, the oilmen unanimously forwarded a collective letter of resignation, supported by the management heads, who sent separate notes.

They were hardly mollified by a message from Herbert Morrison which followed their action:

"I am addressing you on behalf of His Majesty's Government, and in agreement with your directors.

"In the critical situation which has now arisen in southern Persia, we here at home fully appreciate how difficult and unpleasant your situation has recently become, and are proud of the manner in which you have carried on in these trying circumstances.

"As you know, we have made repeated attempts to negotiate with the Persian Government, but their intransigence and their attempting to apply in detail a law which was passed without proper reflection or consultation, has led to a situation in which we have been obliged to withdraw from Abadan the tankers under our control. We believe that the tankers of all other important companies will follow suit.

"This means that the refinery and field operations may have to be closed down, at any rate for the present. We know what a blow it would be to you all to see the great industry built up by your efforts, and those of your predecessors, thus brought to a standstill, with all the harm which must result to Persia, and to the countries which have hitherto benefited from this great enterprise.

"We most earnestly hope that when faced with the consequences of their action, those who are responsible for this situation will change their attitude, and agree to negotiate a settlement. Until this occurs, we hope that you will remain together.

"We are confident that you will bear yourselves with dignity and restraint. We for our part will take all practi-

cable measures necessary to protect you until you are able to resume normal operations.

"You may rest assured that you all have our sympathy and regard, and that your welfare and safety are foremost in our minds.

"Good luck to you all."

CHAPTER NINE

THE British Government ordered the Royal Navy cruiser H.M.S. *Mauritius* to Abadan, to safeguard British lives and property, and the warship took up station in the Shatt-el-Arab river on 28th June, with the senior naval officer of the Persian Gulf area, Commander A. H. Wallace, on board.

Mauritius was well known to Abadan families, for the oil city was one of the regular ports of call during its routine tours of eastern waters. At the Christmas celebrations of 1950, many of the sailors had joined in the oilmen's pantomime, and in children's fancy dress festivities.

The vessel had moored opposite the Persian bazaar, about half a mile from the refinery, but the 730 sailors were not allowed shore leave in Iran. Persian Customs officers stopped Iranian contractors and British residents from delivering fresh food, water, and ice to the ship, and the only visitors were British Consulate officials who travelled on diplomatic passports.

The crew erected an awning above the quarter-deck and splashed it with water from hoses, to ease their discomfort from the full summer heat, with sun temperatures of more than 150 degrees. Fresh water had to be eked out carefully, there was no ice, and it was three days before barges from Basra began delivering vegetables.

The cruiser had anchored in Iraqi territorial waters, on the edge of the Persian frontier. Behind *Mauritius*, but out of

sight, over the vast desert horizons, were more units of the Royal Navy, alerted to speed to the oil city if the Persians renewed their murderous insurrection. At the Royal Air Force aerodromes in Iraq were British fighting planes; in the Canal Zone of Egypt were reserves of paratroopers, tanks, artillery and infantry—precautions which caused considerable anxiety to an Egyptian Government sympathetic to Persian nationalism.

The guns of the cruiser were muzzled and trained at an angle over the refinery, but the ship was a stolid omen of retribution against civil riots or disorder.

Affronted at the presence of the British cruiser, Captain Daftari moved one of his gunboats, *Pelang*, to a berth directly below the bows of *Maurthus*; at its berthing, the two war vessels exchanged courtesy signals.

Fifty-four tankers were stacking the jetties and reaches of the river, and the port of Bandar Mashur, while the masters of vessels filled with oil cargoes awaited instructions to unload. Most of the ships were owned or chartered by the British Tanker Company, and one vessel was a British Admiralty tanker. The others flew flags of Scandinavia, Panama, and the United States.

The tanker companies were maintaining their normal arrival schedules, and each day about half a dozen more ships lay off the Shatt-el-Arab bar in motionless convoy.

Continually decreasing the oil flow, the Company slowed refinery production and made more men available for withdrawal; the oil was pumped into storage tanks in Abadan, and Bandar Mashur.

The arrival of the cruiser had coincided with the departure of the last of the women and children due to leave from southern Persia. As the B.O.A.C. aircraft taxied to the take-off, a Union Jack fluttered from its masthead, and the British staff cheered lustily, but the Persians yelled in anger.

Makki had ordered the Persian ground crew not to supply the plane with petrol after the pilot had refused to sign an oil

receipt. But the tanks contained ample fuel for a safe flight to its first destination, Cairo.

To avoid a repetition of this incident, the Company organized its evacuation channel through Basra, transporting the oilmen by road to that city before they boarded aircraft for London.

The recession of oil production had released another 130 oilmen from Fields. Sixty were supervisors from power station construction work which the Company had suspended.

Mossadiq withdrew his Anti-Sabotage Bill, fearing that its harsh penalties would destroy remaining amity between British and Persians. Instead, he tried a gentler approach in a "message to the foreign staff of the Oil Company", which included the Indians and Pakistanis, who had also submitted letters of resignation.

"Gentlemen," the Prime Minister began:

"Since the date of the promulgation of the law of the nationalization of the oil industry, and the act concerning its mode of enforcement, the Iranian Government and nation have been most willing to continue making full use of the services of all the foreign experts, staff and labour, who are occupied in the various branches of the oil industry; that their services should continue under the same terms and conditions with the same salaries, allowances and pensions, and every inducement should be offered so that they can carry on with the exploitation of the oil with security and confidence, a matter which is of vital importance both for the Western Powers and for Iran.

"I have heard with great regret, however, that you gentlemen have been considering collective resignation, for which there is no justification whatsoever. Such an action would not only inflict great loss on the Iranian Government, but it would involve greater loss to the countries who are consumers of Iranian oil.

"You should know that, in spite of malicious rumours, there is no possible cause for anxiety with regard to your lives.

"If you should be willing to continue your productive activities in the oil industry with sincerity and goodwill, you will no doubt be received by our country as warmly as you were in your own home.

"The contracts you have signed with the former Anglo-Iranian Oil Company remain valid, and all your privileges, such as salaries, allowances, pensions and leaves will be respected.

"The Imperial Government are hoping that you will take this appeal as a sincere effort, and respond to it in a sincere manner, and carry on your important work and service with trust and confidence."

The oilmen were barraged with more letters from the hopeful Persians. The Oil Board replied to the mass resignations:

"The Provisional Board of Directors of the Iranian National Oil Company wish to bring to the notice of all British staff who have directly or indirectly tendered their resignations to the Board of Directors on 27th June, 1951, that the grounds for refusing to serve in the Iranian National Oil Company as set out in their letters are considered as unjustified.

"They should bear in mind their engagement has been effected for the purpose of service in the oil industry in Iran, and under the law approved by the Iranian Parliament, the Iranian National Oil Company is now the legal successor to the former Company who employed them.

"1. In view of the efforts made by the Iranian Government and the two missions sent for effecting the take-over to persuade all foreign staff to remain in the service of the Iranian Government under the same terms of conditions and service, and with full confidence in the security and hospitality afforded them, and no coercion or pressure has been exercised to make them leave their jobs, and they have taken the initiative to resign their posts, we shall have to point out to them that the responsibility for any stoppage, or

reduction in the production, refining, distribution and export of oil, and any loss or damage sustained by Iran or other free countries of the world who consume Iranian oil, in consequence of their action, would lie entirely upon them.

"2. In the proclamation issued by the Provisional Board of Directors on 23rd June, a prior notice of one month has been required, in which period necessary arrangements for the release of those who have resigned should be made.

"It is taken for granted, therefore, in view of their failure to appoint a date for the termination of their service, that British staff would stay at least one month from the date specified in their letter (27th June, 1951), until such time as the handing-over process has been completed.

"3. It is understood, that before the date of their leaving the service every member of the British staff who has the charge of any part of the plant, installation or department, will hand it over complete, and undamaged to the officials of the Iranian National Oil Company."

Dr Matin Daftari, on behalf of the Mixed Parliamentary Oil Committee, added his soothing words:

"We have published an English translation of the message which the Prime Minister addressed to you yesterday. I now wish to draw your attention to the fact that since our arrival in Abadan we have lost no opportunity, both in our public statements and those made privately, to exhort the people of this town that they should consider foreign experts and employees as their welcome guests, should treat them with the utmost kindness and respect, and acknowledge their rights and privileges.

"In their proclamation, the Board of Directors have confirmed that the Imperial Government will consider all foreign nationals engaged in the oil industry as employees of the Iranian National Oil Company, and all rights and privileges enjoyed by them in the former Company will be ensured, including their future retirement benefits under the former Company's pension scheme.

"We notice with regret, however, that so far British nationals to whom the above notices have been addressed have not only shown no response and appreciation, but they have actually shown undue haste in sending away their families, and have kept aloof from the members of the two Missions.

"It is clear, however, that there has been no justification for the evacuation of women and children from Iran, and that their lives and property are being perfectly safeguarded under the laws of Iran, and under the charge of Government officials, and that complete security prevails in this area.

"I wish to repeat, once more, that while we are maintaining our policy as outlined above with regard to British nationals, if they should choose to remain in the service of the National Iranian Oil Company, and shall accord to them the same privileges they have been enjoying heretofore, they are nevertheless perfectly free to leave if they wish to.

"In order to avoid the suspension of operations, and to ensure the supply of oil to the free world, and to give us adequate time in which to find their replacements, we are, however, asking them to give us a month's notice.

"They are free even to ignore this request if they so wish, but it must be admitted that its non-observance would lead to a disruption of the work of production for which they will be held morally responsible. The Board of Directors are sparing no efforts to avoid holding up of the production and export of oil.

"In any case, we wish every British subject who chooses to leave this country to understand clearly the intentions of the Imperial Government, and the Board of Directors, and they should depart with the understanding that every assistance and consideration was afforded to them by the Iranian authorities, but that they did not wish to benefit therefrom."

The Oil Board immediately shattered any illusion of confidence it was constructing by an impertinent eviction of Alick Mason and the British administrative staff from the Khorramshahr offices.

Daftari walked into Mason's office, formerly occupied by Drake, and told him:

"We have come to take over this office and building."

Mason answered, "Well, I'm here—on the instruction of the general manager, Mr Drake."

"Mr Drake does not need an assistant here," countered Daftari.

Mason: "Is this an order for me to leave this office?"

Daftari: "It is!"

Mason: "I regret that you have ignored our warning. Such action will precipitate tension and result in mass refusals from the British staff to work for you."

There was no answer from Daftari; Mason locked the drawers of the desk, and left the room. The British staff in the building soon followed, taking only their keys and some personal papers.

They grouped their new administrative headquarters among the Company houses at Khorramshahr; but the Persian staff remained to work for the O'ri Board who now had complete control of the building.

Some Persian trouble-makers had invented a rumour, which they made sure was heard by the police, that an Iraqi foreman on one of the Company's floating docks had been burning papers detailing secret refinery information.

Police rode in a launch and arrested the foreman, whose friends complained to the Iraq consul at Khorramshahr. The consul protested vigorously that the man had been illegally arrested in Iraq territory, a formality the police authorities had overlooked in their enthusiasm, and the foreman soon was released.

British oilmen took note from this incident that the loyalties of their Persian staff were doubtful, with no indication of improvement, for the Persians ostensibly were trying to win the favour of Iraqis.

The Persian capital had been drowsily quiet during the sweltering summer days. It received with lassitude a note

from Mr Herbert Morrison, handed to Dr Mossadiq by the British Ambassador on 30th June:

"His Majesty's Government have noted with regret that the Imperial Government have not only not replied to the aide-memoire addressed to the Prime Minister of Iran on 19th May by His Majesty's Ambassador at Tehran, but in the meantime have not seen fit to respond to the offers repeatedly made both by the Anglo-Iranian Oil Company and by His Majesty's Government to enter into negotiations with the Imperial Government, with a view to a just and reasonable settlement of the question of the future relations between the Company and the Imperial Government.

"Furthermore, while the Imperial Minister of Finance in a letter of 30th April to the Company's representative in Tehran expressed the desire of his Government to avail themselves of the experience and technical knowledge of the Anglo-Iranian Oil Company, the Imperial Government took no advantage whatsoever of the presence of the Delegation which the Company recently sent out for discussions.

"Moreover, the recent actions of the Iranian authorities have constituted serious interference in the normal workings of the Company's operations.

"The Company's offices in Tehran have been occupied by the Iranian authorities, the Company's manager at Kermanshah has been forcibly restrained from carrying out his functions, and in Khuzistan interference of all kinds with the Company's operations has been, and is being, made, and is continuing.

"Incitements have been addressed to the Company's staff to transfer their allegiance to the National Iranian Oil Company, inflammatory and provocative speeches have been made by members of the Persian Government delegation in the oil areas, and a campaign of misrepresentation against the Company has been undertaken by Tehran Radio and through the Press.

"The Iranian authorities in Abadan have refused to allow

tankers calling at that port to load and export oil unless they sign receipts implying that this oil was the property of the National Iranian Oil Company. When the Company's general manager, Mr Drake, instructed British Tanker Company tanker masters, when signing the same receipts, to add an endorsement reserving the legal rights of the Company over the oil in question, he was informed in a letter dated 23rd June from the temporary Board of the National Iranian Oil Company that these actions on his part amounted to 'sabotage'.

"His Majesty's Government have observed that under the terms of a so-called 'Anti-Sabotage Bill' which has now been introduced into the Majlis, persons accused of sabotage would be liable to trial before a military court, and to penalties up to and including death.

"Your Excellency will have noted that in the statement which I made in the House of Commons on 26th June, a copy of which has been communicated to you, I rejected in advance in the name of His Majesty's Government, any suggestion that accidents resulting from interference in the work of the Company's operations could be ascribed as 'sabotage'.

"His Majesty's Government, as your Excellency is aware, has made application to the International Court of Justice in regard to the action of the Imperial Government in attempting to enforce against the Anglo-Iranian Oil Company, in breach of the latter's 1933 Concession Agreement, the implementation of the Iranian Nationalization Laws. Until this case has been heard, the matter must be regarded as sub judice.

"In the view of His Majesty's Government, the crude oil and refined products produced by the Anglo-Iranian Oil Company are the property of that Company. They cannot, therefore, admit that masters of tankers in which this oil is exported should be forced to sign a receipt, the purport of which is to acknowledge a different ownership of the oil.

"Since Iranian authorities were apparently unwilling to

agree that any endorsement should be added to such receipts reserving the Company's legal rights in this respect, it has been necessary to withdraw from Abadan all tankers already there, and to advise other tankers not to proceed thither unless and until the attitude of the Iranian authorities is modified.

"Since storage capacity at Abadan is limited, this must mean that the Abadan refinery will have to close down as soon as existing storage capacity for refined products is full, and the flow of crude oil from the oilfields will soon have to cease. The British personnel in the oilfields will accordingly be temporarily withdrawn therefrom into Abadan, as and when their presence in the fields is no longer required.

"His Majesty's Government wish to place on record that the responsibility for withdrawal of tankers and progressive closing down of the Company's installations, with consequent loss of revenue to Iran, and large-scale unemployment amongst Iranian workers, results solely from the present attitude of the Imperial Government, which has not only refused repeated offers to negotiate, but has persisted in pursuing, without proper study or previous consultations, a course of action which must have the gravest consequences.

"They find it difficult to believe that the Imperial Government, even at this late hour, will not recognize the unwisdom of their intransigence.

"Finally, I must once more remind your Excellency that the Imperial Government are responsible under International Law for the protection of all British subjects in Iran. Should they fail in this respect, they alone will be responsible for the consequences."

In the last days of June and the first week of July, all tanker masters finally received orders from their companies to discharge their oil cargoes into the Abadan and Bandar Mashur storage tanks. None of the companies had upheld the Persian order requiring the masters to sign National Iranian Oil Company receipt forms, and had declared

unanimously their intentions of relinquishing the oil freight.

One of the first vessels to discharge was the British Tanker Company's *British Admiral*, with a dozen women and children bound for Britain on board. While the ship was delayed at its berth, when the master, George Dobson, had refused to sign the receipts, Persian troops had screened the tanker to prevent the passengers going ashore.

The queue of tankers in the Persian Gulf swung round and headed for Kuwait and Bahrein, where oil engineers were endeavouring to extort more crude oil from reserves to compensate for the loss of the Iranian flow.

On 1st July, K. B. Ross made the drastic decision to curtail to one-half the production of the Abadan refinery. With the aid of his works manager, Charles Evans, and heads of the various processing departments, he evolved a plan to shut off part of the apparatus without disrupting the efficiency of units which would be left producing.

Refinery production would be reduced to 8,300,000 gallons a day from the recent daily output of 15,500,000 gallons, Ross told his oilmen. The wells would send less oil to the refinery. Three distillation units and one "cracking" plant would shut, and gradually the other units would diminish in capacity.

Without oil filling tankers, storage at Abadan and Bandar Mashur soon would be replete; wearily Ross resumed his calculations to lend life to the refinery, dragging out its existence while the Company speculated on the chances of a settlement of the dispute.

Small wooden tags labelled "shut", denoting idle units, hung on a chart in his office. Heaped ominously below were more tags, and the addition of each to the chart indicated the dawdling death of the refinery.

"We'll all be leaving in ten days," the oilmen speculated. Bored by lack of activity, and fatigued by the mordant heat and smothering dust storms, they watched with envy the

withdrawal of groups of about forty oilmen each day from the area.

"I'm resigning from the Company, irrespective of the outcome of the oil dispute," exclaimed one incensed oilman clambering on to the bus for Basra. There were many "Hear, hear's" from his companions.

The general feeling of upset which had cast out the British from the comfortable homes in which they had settled, had soured them against living under conditions of uncertain security, which they were sure would endure though the Anglo-Iranian Oil Company and the Persian Government patched a compromise for operating the refinery and oil-fields.

This, interpreted as platitudinous the Board's pretensions that "the security of the British people is the first concern of the Iranians". How, they asked, could the Board justify its eviction of Mason and four other British administrative staff from Drake's former home at Khorramshahr.

In a letter to Mason, the Board had explained that the house was for the general manager's residence; since the general manager had left, the Iranians wanted it for their personal use, and requested that the keys be handed to Engineer Zaii, one of the Board's oil advisers.

The British occupying the house with Mason were H. R. Carruthers, J. B. Green, Michael Kcally and Hugh Seymour. Mason moved with Green and Carruthers to a smaller, nearby house, and Kcally and Seymour booked early passages to Britain.

Winning the house brought a personal consolation to Makki, for it was his revenge for having lost the luxury launch *Shahin*, in which Drake had travelled to Basra, and which the Company was retaining in Iraq. At Makki's next instruction, Persian police went to a garage where the Persian chauffeur was warming up the engines of the two cars used by Mason, and seized the keys in the name of the National Iranian Oil Company.

The oilmen were nettled by vigorous Persian "pinpricking", minor advantages which Persian authority took over the British, who were unable to retaliate.

This twisted, Iranian game of "British-baiting" was most prevalent at the Customs sheds, where oilmen were held for sweaty, gruelling hours, ripping open packing cases for tire-some and needlessly exhaustive examination. Sometimes, the Customs officers delayed their clearances for several days, to keep the oilmen waiting before they could dispatch their possessions.

Until British Overseas Airways Corporation suspended its weekly service to Abadan, Persian officials held mails deliberately from early delivery, and without explanation. One batch of Sunday newspapers was grabbed by the Persians, who, almost with reluctance, allowed their sale three days later. British papers carrying stories unfavourable to the Mossadiq Government were banned by the military governor.

The inescapable sight of Persian troops and armed civil police patrolling past the private homes irritatingly reminded the British of the days of terror, and they obeyed the night curfew with ineradicable rancour.

A fatal accident saddened the oilmen on 10th July, when a Company Rapide aircraft crashed into the refinery, killing the pilot, John Samson.

The plane was taking off for Tehran from Abadan airfield, toward the refinery, when one engine failed. The aircraft struck the roof of a building, and dived into an open space close to stores containing thousands of gallons of high-octane aviation fuel.

Firefighters who rushed to the blaze found the body of an Armenian worker, crushed by wreckage which had fallen from the roof.

The oil crisis dampened the silver wedding celebrations of Aubrey Flavell and his wife, Vera Flavell, now the last of the Company's British married couples remaining in

Abadan. Their guest house was packed each day with about sixty oilmen from Fields, on their way to Britain.

Ross continually was trimming the refinery output; in a week it had dropped to scarcely 3,500,000 gallons a day, with a further reduction to the limit of 2,500,000 gallons envisaged during the next five days, to conserve storage.

It was a section of a "phasing" plan, which co-ordinated the slow shutting-down of the refinery with reduced flow from the oilfields, and the scheduling of oilmen to quit Persia.

The Oil Board was contemplating the offer by Ross of Gach Saran; for this field, with its isolated British staff, was a burden to the operation of the "phasing" plan. The transfer was mooted after Ross and Makki had met Cox at Bandar Mashur, and the Company hoped it would appease the Persians temporarily.

"The Persians won't be in a hurry to take Gach Saran over," Ross commented. "They really don't want to run any oilfields—they want us to do that for them."

Mason and Ross had discussed details of the "phasing" plan with representatives of the British Embassy who had flown to Abadan for a twenty-four hour visit. They were George Middleton, counsellor to the Ambassador, Wing-Commander G. Lerwell, the air attaché, and Colonel H. G. M. Dunn, the military attaché.

"It's very difficult to get first-hand information quickly, in Tehran," Middleton explained to the Press, when he landed.

Richard Seddon, who should have been with the party, was missing. Persian police had raided his home in Tehran, and seized Company papers and documents, which they hoped would prove their allegation of the Company's interference in Iranian politics. In spite of protests from Seddon and the Ambassador, the Persians refused to return the papers, or remove an armed guard which ringed the house.

This sudden intervention by the Iranian Government had

curbed Seddon's activities; he had considered a visit to Abadan "inappropriate".

At the end of his short stay, which had also enabled Colonel Dunn to meet Military Governor Kamal in a terse conference on security, Middleton remarked:

"The men have been going through a rough time, and have put on an admirable show. They have proved their loyalty by not working for the Iranians."

The oilmen inferred, correctly, from the talks that the Fields staff would be withdrawn if the refinery shut completely. But there was no sign of a total evacuation of British from Abadan; the impression was that about 300 Abadan staff would remain with the refinery to supervise the public services, and be prepared to start the apparatus when production resumed.

Yet Mason was not in favour of any scheme which would extend the oilmen's stay in Abadan. Since his appointment as Company's representative, a rank which the Persians did not recognize, Mason had tried not to antagonize the Oil Board, believing that it would withdraw his resident's permit.

In his slow, soft voice, he opened his few Press conferences with the formula: "Good morning, gentlemen. I have nothing for you. What have you to tell me?"

This time, Mason overcame his reticence to speak openly, and expressed the desire of the men to go home.

"It is not fair on the staff that they should hang around when there is nothing to do," Mason said with asperity. "As the refinery closes, so will the men be given leave."

Welcoming his words, the oilmen coined their own succinct phrase:

"We are", they said, "mentally evacuated!"

CHAPTER TEN

THE judgment of the International Court of Justice at The Hague on Britain's applications for an interim injunction against Dr Mossadiq's oil policy was imminent. Statesmen wondered whether the decisions would ally forcefully with British opposition to drive a wedge through Persian determination.

Dr Grady, still hoping history would nominate him as the successful negotiator, pondered a new oil receipt form he had devised, which he hoped tanker skippers could sign without prejudicing the Anglo-Iranian Oil Company issue. Mossadiq's reply was a summary rejection, and Dr Grady retreated pathetically from the van of Persian oil politics.

Meanwhile during prolonged talks in London, Mr Herbert Morrison and the United States Ambassador, Mr Walter Gifford, gravely considered the risks of holding British staff in Abadan. So long as the Persians maintained law and order, Britain had no intention of withdrawing all oilmen, Mr Morrison told the Ambassador.

Their problem: to decide whether America could continue to intervene fruitfully?

The composition of the Hague Court which announced its findings on 5th July, was:

President, Judge Basdevant (France), Vice-President, Judge Guerro (Salvador), and Judges Alvarez (Chile), Hackworth (United States), Winiarski (Poland), Zoricic (Yugoslavia), De Visscher (Belgium), Sir Arnold McNair (United

Kingdom), Klaestad (Norway), Badawi Pasha (Egypt), Read (Canada), Hsu Mo (China).

The British legal representatives at the hearing were Sir Eric Beckett, K.C.M.G., K.C., legal adviser to the Foreign Office, and the Rt. Hon. Sir Frank Soskice, K.C., M.P., Attorney-General in the Socialist Government, assisted by Professor H. Lauterpacht, K.C., Professor of International Law at Cambridge University, Mr A. K. Rothnie, Eastern Department of the Foreign Office, and Mr H. A. P. Fisher, and Mr D. H. N. Johnson, counsel.

There were no official representatives of the Iranian Government, as Dr Mossadiq had affirmed that his Government would not recognize the authority of the Court because it was dealing with a problem which was not an international dispute, but a private disagreement between the two countries. However, he sent observers to hear the Court's rulings.

The seven requests for the Court's attention from the United Kingdom Government and the Anglo-Iranian Oil Company were:

"1. The Imperial Government of Iran should permit the Anglo-Iranian Oil Company (Limited), its servants and agents, to search for and extract petroleum, and to transport, refine or treat in any other manner, and render suitable for commerce, and to sell or export the petroleum obtained by it, and generally, to continue to carry on the operations which it was carrying on prior to 1st May, 1951, free from interference calculated to impede or endanger the operations of the Company, by the Imperial Government of Iran, their servants or agents, or any Board, Commission, Committee or other body nominated by them.

"2. The Imperial Government of Iran should not by any executive or legislative act, or judicial process, hinder or prevent or attempt to hinder or prevent the Anglo-Iranian Oil Company (Limited), its servants or agents, in or from continuing on its operations as aforesaid.

"3. The Imperial Government of Iran should not by any

'executive or legislative act or judicial process, sequester or seize, or attempt to sequester or seize, or otherwise interfere with, any property of the Anglo-Iranian Oil Company (Limited), including (but without prejudice to a decision on the merits of the case) any property which the Imperial Government of Iran have already purported to nationalize, or otherwise to expropriate.

* "4. The Imperial Government of Iran should not, by any executive or legislative act or judicial process, sequester or seize, or attempt to sequester or seize, any moneys earned by the Anglo-Iranian Oil Company (Limited), or otherwise in the possession or power of the Anglo-Iranian Oil Company (Limited), including (but without prejudice to a decision on the merits of the case) any moneys which the Imperial Government of Iran have purported to nationalize or otherwise to expropriate, or any moneys earned by means of property, which they have purported so to nationalize, or otherwise to expropriate.

"5. The Imperial Government of Iran should not by any executive or legislative act or judicial process require, or attempt to require, the Anglo-Iranian Oil Company (Limited) to dispose of the moneys referred to in sub-paragraph (4) above, otherwise than in accordance with the terms of the Convention of 1933, or of any measure to be indicated by the Court.

"6. The Imperial Government of Iran should ensure that no other steps of any kind are taken capable of prejudicing the right of the Government of the United Kingdom to have a decision of the Court in its favour on the merits of the case executed, should the Court render such a decision.

"7. The Imperial Government of Iran and the Government of the United Kingdom should ensure that no step of any kind is taken capable of aggravating or extending the dispute submitted to the Court, and in particular, the Imperial Government of Iran should abstain from all propaganda calculated to inflame opinion in Iran against the

Anglo-Iranian Oil Company (Limited) and the United Kingdom."

With two of the Judges dissenting, the Court ordered: "pending its final decision in the proceedings instituted on 26th May, 1951, by the Government of the United Kingdom of Great Britain and Northern Ireland, against the Imperial Government of Iran, the following provisional measures which will apply on the basis of reciprocal observance: "

"1. That the Iranian Government and the United Kingdom Government should each ensure that no action is taken which might prejudice the rights of the other Party in respect of the carrying out of any decision on the merits which the Court may subsequently render;

"2. That the Iranian Government and the United Kingdom Government should each ensure that no action of any kind is taken which might aggravate or extend the dispute submitted to the Court;

"3. That the Iranian Government and the United Kingdom Government should each ensure that no measure of any kind should be taken designed to hinder the carrying on of the industrial and commercial operations of the Anglo-Iranian Oil Company, Limited, as they were carried on prior to 1st May, 1951;

"4. That the Company's operations in Iran should continue under the direction of its management as it was constituted prior to 1st May, 1951, subject to such modifications as may be brought about by agreement with the Board of Supervision referred to in paragraph 5;

"5. That, in order to ensure the full effect of the preceding provisions, which in any case retain their own authority, there should be established by agreement between the Iranian Government and the United Kingdom Government a Board to be known as the Board of Supervision, composed of two members appointed by each of the said Governments, and a fifth member, who should be a national of a third State, and should be chosen by agreement between these

Governments, or, in default of such agreement, and upon the joint request of the Parties, by the President of the Court.”

- Defining the duties of the Board of Supervision, the promulgation added:

“The Board will have the duty of ensuring that the Company’s operations are carried on in accordance with the provisions above set forth.

- “It will, *inter alia*, have the duty of auditing the revenue and expenses, and of ensuring that all revenue in excess of the sums required to be paid in the course of the normal carrying on of the operations, and the other normal expenses incurred by the Anglo-Iranian Oil Company, Limited, are paid into accounts at banks to be selected by the Board, on the undertaking of such banks not to dispose of such funds except in accordance with the decisions of the Court, or the agreement of the Parties.”

Judges Winiarski and Badawi Pasha declared that they could not concur with the Court’s orders. They contended the Court primarily should ascertain its competence to adjudicate the British requests, and whether it should indicate interim measures for the protection of the oil industry before deciding if the dispute required international arbitration.

Mossadiq’s adamant fixation against a third-party appeal finished the efficacy of these technical stopgaps; although the British Government formally advised the Prime Minister that it was considering its nominations for a Board of Supervision, and asked for the names of the Imperial Government’s selection, Mossadiq’s determination to disregard all measures and pleas was as starkly evident as the ribs of a starving horse.

Persian newspapers, reiterating the Iranian Government view that the Court’s recommendations were “null and void”, clamoured for Persia’s withdrawal from the International Court of Justice, and the recall of Dr Karim Sandjahi, a Persian national and a Judge of the Court.

The Court's intervention revitalized the blackening campaign against the Company. Papers printed colourful allegations of Company intrusion when the Majlis charged the A.I.O.C.'s information chief in Tehran, Philip Stockil, with having destroyed documents "which proved the Company had interfered in Persian internal affairs".

On 9th July, President Truman publicly offered to send his foreign affairs adviser, Mr Averell Harriman, to Tehran to arbitrate in the dispute.

"Too late!" cried Dr Mossadiq, and then went off to consult his Cabinet.

Bluntly, Sir Francis Shepherd told a foreign Press conference that "there was not much point" in Mr Harriman coming to Iran.

But two days later, Dr Mossadiq announced that the Persian Government would receive Averell Harriman. The Government had, added the Prime Minister, sent a letter to the United Nations' Secretary-General, Mr Trygve Lie, challenging the competence of the International Court; also, the Majlis was holding documents which it would present to the United Nations, if Britain approached that body for arbitration, which "proved" British interference in Persia.

Mr Harriman arrived in Tehran at midnight, five days after President Truman's offer. He was accompanied by Mr William Rowntree, director of the Greek-Turkish-Persian section of the Office of Near-Eastern Affairs in the State Department, and a former assistant of Dr Grady when he had been Ambassador in Athens, and Mr Walter Levy, former oil consultant to the Economic Co-operation Administration in Europe, and an expert on international oil contracts.

The Harriman visit precipitated day-long, Tudeh-led demonstrations against an oil compromise. Violent Tehran demonstrations burst into mob riots. Fifteen Persians were killed and 150 injured before police restored calm. Martial law, which had been lifted for a few weeks, was reimposed to curb further demonstrations.

- In conclave with British and Persian officials, Harriman heard the arguments of both sides of the oil dispute.

"He's come out with a blank cheque signed by President Truman," British residents said, while discussions continued in secret. It seemed that large-scale American financial aid was to be used as the key to unlock the cage imprisoning a settlement of the dispute.

But Harriman had conceived a diplomatic formula, known as the "Harriman formula", which the Council of Ministers and the Mixed Oil Commission approved at a meeting held in Mossadig's residence on 23rd July. Its terms were:

"1. In case the British Government, on behalf of the former Anglo-Iranian Oil Company, recognizes the principle of nationalization of the oil industry in Iran, the Iranian Government would be prepared to enter into negotiations with representatives of the British Government on behalf of the former Company.

"2. Before sending representatives to Tehran, the British Government should make a formal statement of its consent to the principle of nationalization of the oil industry on behalf of the former Company.

"3. By the principle of nationalization of the oil industry is meant the proposal which was approved by the Special Oil Committee of the Majlis, and was confirmed by the law of Esfand 29, 1329 (20th March, 1951), the text of which is quoted hereunder:

" 'In the name of the prosperity of the Iranian nation, and with a view to helping secure world peace, we, the undersigned (the Committee), propose that the oil industry of Iran be declared as nationalized throughout all regions of the country without exception, that is to say, all operations for exploration, extraction and exploitation shall be in the hands of the Government.'

"4. The Iranian Government is prepared to negotiate the manner in which the law will be carried out in so far as it affects British interests."

Harriman had aimed to set talks going again, and his mission achieved that success.

"I think it will improve your chances," he commented to the Ambassador.

"Let's talk it over in London," replied Sir Francis.

The Oil Board received with casual nonchalance the Company's proposal to hand over Gach Saran, even when that proposal was augmented by the offer of Masjid-i-Sulaiman. The Company's loss in ceding two of its oilfields would have been mitigated by the retention of the other oil areas, particularly the prolific Agha Jari.

If the Persians could be induced to continue the flow of oil, then, the Company hoped, it would relax its stringent regulations requiring oil receipts to be signed in the name of the National Iranian Oil Company; tankers could pick up oil cargoes, and the refinery could continue its output.

The effect of the transfer might convince the Persian people that the Government had concluded its nationalization programme satisfactorily, with its ownership of oil wells established.

"We would like to think over the offer," Engineer Bazargan diffidently told Ross, intimating that the Board would reply in a week; for the Persians were aware that was not the complete nationalization which Mossadiq demanded. Yet, with a whetted curiosity, and its insatiable desire for possession of any portions of the whole, the Board indicated that it would meet Peter Cox to discuss the arrangements.

Since its inception, and in spite of the pervading aura of ceaseless activity which the Board and its staff revealed at Khorramshahr, the Persians had attained little progress of importance to the nationalization programme.

Intently busy with nullifying Company management -- recent pronouncements had stated that Drake's resident's permit had been withdrawn and he would not be allowed to enter Persia again, that special frontier passes which had enabled Company executives to travel freely between Basra

and Abadan had been cancelled, and that all Company employees must obtain permission from the temporary Board to leave or enter Khuzistan—the Board had staged none of the displays of its strength which the Persian people loved.

Its prestige was high, and growing, and the successful whittling of Company administration had enhanced its reign, but the Persians wanted to see and hear more of the idolized Hussein Makki, who had carried the spark of nationalization to the oilfields, but lately had not fanned it to flame.

Thousands of Persians had applauded a dawn tattoo of tanks and troops, led through Abadan's streets by Governor Kamal, ostensibly to strike fear into the ranks of trouble-makers, but more covertly aimed as a demonstration of popular nationalism; thousands of Persians had cheered a dusk rally of militant rabble-rousers, openly demanding the immediate evacuation of all British staff from Persia.

Persian authority molested international rights when an Iranian Navy launch filled with troops under the command of an army officer ordered the British cargo vessel *Nagaristan* to heave to, while the ship was passing the Iraqi frontier port of Fao, near the mouth of the Shatt-el-Arab River.

Soldiers clambered aboard the ship, and detained it for an hour, without explanation. The captain wirelessly Fao, where Iraqi Customs men telephoned the Consul, Major Capper, but before the nearest British Navy warship, the frigate *Flamingo*, could sail to the steamer, the Persians had left the vessel.

Nagaristan had sailed from Abadan on the night of 14th July, after loading crates and luggage belonging to the British refinery staff. Among the British passengers was Wing-Commander Charles Innes, who had recently retired from the post of air attaché to the British Embassy at Tehran.

From Basra, Commander Wallace asked Capper to protest to Captain Daftari, with the warning that this was a serious offence. Daftari admitted responsibility for the act,

but claimed he had known nothing of the incident until the next morning; though he promised an investigation, Capper heard no further mention of the episode.

Bunting was out in the bazaar for the visit of Dr Mozzafar Baghai, one of Mossadiq's chief advisers, briefly inspecting the Oil Board's activity. For a week before the call the Board had been working in its offices zealously compiling reports to impress him. Now he was studying the papers, as diligently as an auditor working on an annual balance-sheet, while the Board nervously awaited his commendation.

Baghai gave one Press conference, on the eve of his return to Tehran. It was short, and he spoke in Persian with Dr Zaii translating.

"If Harriman is fair-minded, he cannot do other than recommend that the British side changes its attitude," he declared energetically. "If he does not change the British mind, the visit will not have any effect. Iran will not change the nationalization laws!"

The organization of this conference had been the work of pudgy, middle-aged Abbas Mazda, who appointed himself information chief to the Board because the Persians could find no other occupation for him. An engineer by profession, but not, it seemed, an oil engineer, though he had been drafted to direct oilwell operations, the Board confirmed his post although the information department officially was defunct.

Engineer Mazda had lived for two years in a British political internment camp. Educated in Germany, he had worked (his own assertion) in Goebbels' propaganda department during the Hitler régime. He spoke broken, but effective, English, with a strong German accent, and his manner to the foreign correspondents was effusively genial. He was a rival to Makki in his personal publicity, and though he pretended offence when the British Press treated him with some irony, he was genuinely outraged only once, after a scathing attack on him by the British Consul.

Though Mazda's statements were heavily laden with pro-Mossadiq propaganda, his unconfirmed authority was of practical value to the Press through his friendship with Engineer Bazargan.

One of the first recipients of his assistance was *Daily Express* reporter Arthur Cook, who had long been waiting in Basra for a pass to enter Abadan, to relieve James Leasor. Mazda intervened with the dallying officials, and the pass was approved within twenty-four hours. Similar assistance enabled *Daily Mail* photographer Herbert Mason and *Daily Express* cameraman Walter Bellamy to cross the frontier.

When Makki ordered the Persian Customs to stop press copy sent by our chartered taxi from leaving the country, Allick Mason imitated Drake in declining our request to use the Company's wireless transmissions to Tehran. We appealed to Mazda; in a few days he had secured the authority. He also opened the telephone line to Tehran at night for emergency calls; sometimes we used a private extension kept open for Prime Minister Mossadiq.

Abbas Mazda flaunted a fire-engine-red, late-model American station wagon, driven by a Persian chauffeur who appeared to have been trained on a car with no brake pedal. Occasionally the plump engineer would drive to the guest house to meet correspondents, a practice resented by the British oilmen, and Mrs Flavell, for the guest house lounge was considered out-of-bounds to Persians by the British.

His favourite hour for calling was during the afternoon tea break, and if Mazda was aware that he was causing mental commotion among the oilmen, he was superbly oblivious of it. Unhurriedly, and amid a rattle of teacups which did not distract his discourse, he would proclaim noisily the benefits of Persian nationalization, tactlessly close to the men who were quitting his country because of his Government's stubbornness.

The Company suspected that the guest house would fall an early victim to the Board's graspings, to house the team

of staff who were to manage the details of the oil business. Makki and the military governor had inspected the building, and admired its capacity and convenience for housing Persian administrators, but they were content to leave it unmolested to the last hours of the British occupation.

Makki had moved from his original Bawarda bungalow to a neighbouring, double-storied residence, where he lived with some of the Board's clerical staff, and his inseparable police-lieutenant bodyguard. Engineer Bazargan had found a two-storied house in Braim, opposite the guest house and near Ross. Dr Zaii and a few other Persian heads had obtained houses around the Company's Persian staff estates.

They had acquired these residences without Company opposition; indeed, there was some co-operation, though there was no denying the inevitability of their settling in.

The Oil Board had received 300 applications from German oil experts, Makki announced to the Press after days of silence. His poky office in the Khorramshahr block was littered with papers, which stretched across his desk and overflowed to the green leather armchairs. Two thousand Americans might be willing to work for the National Iranian Oil Company, according to one letter which had arrived, he added proudly.

Dr. Zaii, who had walked into the room, told us that "many countries" were sending tankers to collect Persian oil; but he could not name the nations, nor give a date for the arrival of the tankers.

Superficially, one of the most promising queries had been conveyed in a cable from an American company which gave its name as "Texhoma", and a Dallas, Texas, address. Signed by "A. B. Davis", the cable asked the Board to quote "for spot payment in United States dollars" for 1,000,000 to 10,000,000 United States barrels, or 40,000,000 to 400 million United States standard gallons of raw Persian oil, f.o.b. in tankers to be provided by his company.

"Mr Davis" added in his message, "Oklahoma, Texas and

Louisiana oil production and refinery technicians are the finest in the world. We believe we can supply your adequate requirements."

Businesslike, "Mr Davis" volunteered to fly to Tehran at once "if your reply is satisfactory". Non-committally, the Board forwarded the cable to Finance Minister Varestah.

The Oil Board deliberated for five days before announcing its readiness to take over Gach Saran, with the 443 Persian employees in the field. To this decision was added the piquant promise of an early visit to Ahwaz and Haft Kel by Makki.

In a dash of nationalistic zeal, Persians in Fields draped Iranian flags from their windows and roofs, and erected patriotic banners outside the walls. Company workers drove taxis and buses around the oilfields, with Persian flags fixed to their bonnets and mudguards, Cyclists wrapped red, white and green paper streamers around the bicycle frames, and covered saddles with cloth in Persian colours.

Hussein Makki, Engineer Bazargan, Dr Zaii and Abbas Mazda were the principals of the Ahwaz visit, but to make a more impressive showing, Makki had ordered a dozen of the Oil Board employees to join the expedition. They flew from Abadan in the Board's wartime Dakota aircraft, a plane so little used since the end of hostilities that the interior had retained the troop-carrying bucket seats and parachute static line for dropping supplies. One wing aileron and a tail elevator were of different colours from the scratched fuselage, still bearing its camouflage paint—for these parts had been borrowed from another Dakota.

Makki ignored the small crowd which had gathered at the airfield to greet him, but drove triumphantly through the decorated streets of Ahwaz, the kerbs and alleys of which were packed with people who had streamed from their homes and shops to applaud him and to sacrifice their animals in his honour.

Speaking from the balcony of the Company's offices, Makki addressed about five thousand Persians, taking as his

theme that the Iranian Government must wrest control of the oil industry from the British before the workers could enjoy a high standard of living. His forty-minute harangue was a plea for discipline and peace in the oilfields during the transition; a prosaic, repetitive appeal which reflected none of the glossy persuasion with which he had swayed the Tehran mobs.

His schedule permitted him a brief talk with Peter Cox at the palace of the newly appointed Governor-General of Khuzistan, Mossa Sarabandy, who a few days earlier had seen his predecessor, Amir Ala'e to the Tehran train. "We have come to take over first the refinery, then the oilfields," Makki said decisively.

Everywhere, the people welcomed Makki as their symbol of the bright prospect of nationalization. Joyfully they saluted the appearance of his long, feline-jowled face, with the broad grin across his stained, chipped teeth. The sight of his lank figure, leisurely waving long arms and broad-palmed hands would produce frenzied cries of excitement.

To please him, workers unquestioningly obeyed the orders of their leaders to strike when Makki visited Haft Kel. As his aircraft landed on the narrow strip, thousands of workers from there and the neighbouring Naft Safid streamed out to meet and greet their hero.

Company discipline among the Iranians was decaying. A strike leader, dismissed by the A.I.O.C., was reinstated in his job by the Oil Board. Workers who complained to the Board when the Company suspended them for disobedience were told by the Persian managers that the Company had no authority to do so.

Army officers delighted in discomfiting the British oilmen by walking into their clubs and interrupting conversations. Looters raided the unoccupied British bungalows by night, and troops and police made little effort to stop them. Often the looters shared the profits from the sales of their plunder with the security forces.

Workmen at the refinery and in the oilfields stole tools and brass fittings from the equipment. Although the workers were searched by Persian police at the refinery gates, the examinations were usually perfunctory.

The Board threw the blame for the thefts upon the British. It accused W. J. Freegard, the Company's officer in charge of property protection, of "sabotaging the protection of the refinery, and being responsible for the outbreaks of pilfering which had recently been taking place in the refinery, and in private British homes". Yet Freegard, with K. B. Ross, was protesting to Military Governor Kamal each day that it was the laxity of the Persian authorities which was making possible this harvest of plunder.

With sudden wrath, the Board sent Freegard an expulsion notice, summarily expelling him from Persia. The Board also expelled E. J. Donohue, assistant superintendent of communications, who had lately removed a Persian employee from his job for inefficiency. The Persians alleged that Donohue had been sabotaging the Company's communications, and had "removed an Iranian national from a security post".

Now there was a flood of oilmen, mainly from Fields, quitting Abadan through the Iranian-Iraqi frontier. By the end of the month the number of British staff in south-west Persia had dwindled to 650.

The workers' go-slow, and the rapidly-filling storage tanks were speeding the close of the refinery. For more than a week production had been, as Ross defined it, "a trickle".

An American Press correspondent, reporting this phrase to a colleague in Tehran over an indistinct telephone connection, had difficulty in conveying the words.

"The refinery's shut to a trickle," shouted the newsman.

"Don't get it," came from his associate.

"The refinery's down to a trickle."

"Don't follow. . . ."

"The-refinery-is-down-to-a-trickle."

"I get you this time. The refinery's making pickle!"

By 27th July, the tanks were holding their capacity of 494 million gallons of oil products—210 million gallons of fuel oil, 150 million gallons of petrol, 52 million of gas oil, 37 million diesel, 33 million kerosene and 12 million of aviation spirit.

The refinery staff had been reduced from 840 to almost 200, with another 100 British to maintain the public services in the oil city.

The oilmen were harassed and dispirited, and the Company's executives distraught by Persian meddling which was interrupting their schedules to ease the flow gradually.

Even the rarely critical Alick Mason could bear this pressure no longer without stern comment.

"The Company cannot carry on much longer under dual management of both Persians and British," he told a Press conference. "It is only due to the amazing restraint of the British that there have been few clashes.

"The British staff is becoming exasperated by the apparent indifference in London and Tehran to their plight. There is a limit to which tails can be twisted!"

H.M.S. *Mauritius* had sailed from Abadan early in the month, on a day so hot that Royal Marine bandsmen lifting their instruments to play the cruiser upstream had found valves jammed and mouthpieces searing their lips.

Mauritius had been replaced by the frigate H.M.S. *Flamingo*. When, in a week, *Flamingo* sailed for Basra, another cruiser, H.M.S. *Euralyus*, took up station in the river.

On 31st July, four destroyers from the Mediterranean Fleet based at Malta—H.M.S. *Chevron*, H.M.S. *Chequers*, H.M.S. *Chieftain* and H.M.S. *Chivalrous*—steamed along the Shatt-el-Arab River. *Chevron* moored beside *Euralyus*, while the other ships sailed to Basra.

Hundreds of attentive Persians, massing at points near the bazaar like gulls on a ledge, were silent witnesses of the

manœuvres. But, shrouded behind the iron walls of the refinery, the Company was staging a more dramatic ceremony—the shutting off of the last working unit of the oil production processes.

K. B. Ross, works manager Charles Evans, distillation superintendent D. Blair Watt, the chief operator of the distillation department, Reginald Beacham, and the general superintendent of process, John Tod, were the technicians who reduced massive Distillation Unit 80 to inactivity.

A hiss of escaping air denoted the stopping of the oil flow as valves sealed the pipelines; the men pulled out switches which cut off the electricity supply; the furnace, burning at a temperature of 1,000° F., slowly cooled.

Smoke rose from only two chimneys, those of the boiler house and of the departments where machinery for essential services were housed.

Below the forest of smokestacks, the oilmen missed the palpitating beat of the refinery plant, and the rich smell of oil, which they had recognized as a symbol of their prosperity.

CHAPTER ELEVEN

METEOR and Vampire jet planes from Royal Air Force Airfields in Iraq daily patrolled the river frontier. Usually they flew high above the land, wheeling clear of Persian territory. Occasionally, a plane swooped low along the river on a quick reconnaissance of the refinery, but invariably it remained inside the Iraq border.

Persian authorities hated these visitations, which reminded the people of the superiority of British armed strength. But the flights brought an uplift of spirits to oilmen hoping desperately for an occupation of the refinery by British troops poised beyond the Iranian borders.

• They did not know that while diplomats were fighting for success in conference rooms, and interpreting the glib tortuousness of Mossadiq's statesmanship as a portent of settlement, the invasion forces, ready since the middle of July, were not to be released.

The Oil Board had handed Britain's vice-consul at Khorramshahr, Lawrence Evans, a protest about the planes. Under the brilliant electric light bulb hanging beneath a white porcelain shade in his office, and with the windows shuttered to bar the noise of the bazaar, Evans read the note. The Board alleged that the British Royal Air Force jets were "violating Persian sovereignty" by flying over Persian soil. The Iranians asked the British Government "to take stern disciplinary action against the pilots", and to warn the Royal Air Force not to violate the Persian frontier.

Evans pushed the complaint into a box for the notice of the consul, and began once more considering the plight of the British staff... their discontent and worried uncertainty... the pinpricks of officialdom... whether John Stevens would ever marry Annoush Boghossian....

Red-haired, twenty-seven-year-old John Stevens had worked in the refinery laboratory until the shutdown. Now it seemed likely that he would be among the evacuating parties of oilmen whose jobs in Abadan were over.

In recent months, Stevens had become engaged to slim, dark-haired, five-foot-tall Annoush Boghassian, daughter of an Armenian construction engineer employed by the Company. The Persian troubles had dimmed their hopes of marriage. Her father's house was guarded by Persian police after he had received messages threatening him with violence for allowing his daughter to marry one of the British staff. The couple met rarely, as Stevens had been warned not to enter the Persian housing estates; when the girl drove to his Braim bungalow, she was escorted by her mother and father, and they travelled only after dark.

Written authority from the Persian Ministry of the Interior was necessary for the wedding, but officials grudged giving their approval. Annoush's father, Alexander, journeyed to Tehran to plead with the authorities, who replied with pledges of co-operation which they had no intention of fulfilling. Stevens had appealed to the British Consulate, but even diplomatic approaches could not break the deadlock of Iranian hostility to the marriage.

To keep the oilmen busy after the refinery had shut down, Ross arranged an intensive schedule for overhauling the apparatus. By an ingenious technical system of "cycling", a flow of 1,000,000 gallons of oil was pumped each day from Agha Jari wells to supply the gas which drove the pumps of the water station.

The twenty-four hour timetable of work at the refinery was abandoned. British staff went on duty during the day hours,

but at night Persian technicians were the watchdogs who supervised the maintenance programme, and tried to prevent the looting of fittings and tools.

Drillers and engineers in Fields were less affected by the monotony of the standstill, as their routine of work among the scattered oilwells was more varied than the occupations of the Abadan men, who were confined inside the screen of the refinery compound.

No Persian was losing pay because of the shutdown, as the Company feared a renewal of violence if the Iranians were deprived of their salaries and wages. But it was a costly expedient for preserving peace, for the daily wage bill of the Persian employees at A.I.O.C. installations throughout the country was £33,000.

Only Gach Saran was not included, for this oilfield was now considered as being the responsibility of the Persian Oil Board, who would govern and pay its 443 Iranian workers.

"We have plenty of money for all our employees," Makki boasted. "If the British leave, and no oil is produced for a year, we shall still be able to pay the wages."

The recognition by the British Government of the principle of nationalization had set thinking to the pace of a fireball, and both British and Persians were "optimistic" in their predictions of the outcome of the talks between the British Lord Privy Seal, Mr Richard Stokes, Averell Harriman and the Persian Government, in Tehran.

George Middleton had informed the Persian Foreign Minister, Kazemi, of this decision to send a delegation in a letter of 3rd August:

"I have the honour to inform your Excellency on instructions from my Government that they have received through Mr Harriman, the Imperial Government's formula for negotiations between the Imperial Government and His Majesty's Government on behalf of the Anglo-Iranian Oil Company, and for discussion on matters of mutual interest between the two Governments.

"His Majesty's Government are desirous of availing themselves of this formula, and are prepared to negotiate in accordance with it, but it will be appreciated by the Imperial Government that negotiations which His Majesty's Government for their part will enter into with the utmost goodwill cannot be conducted in a satisfactory manner unless the present atmosphere is relieved.

"On the assurance that the Imperial Government recognize this fact, and will enter into discussions in the same spirit, a mission headed by a Cabinet Minister will immediately set out.

"His Majesty's Government recognize on their own behalf, and on that of the Company, the principle of the nationalization of the oil industry in Iran."

Kazemi formally acknowledged the letter:

"In reply to your letter of 3rd August, 1951, I have to inform you that the Iranian Government is pleased that in accordance with the formula submitted by Mr Averell Harriman, the British Government has recognized on its own behalf, and on that of the former Company, the principle of nationalization of the oil industry in Iran, and is sending a mission to Iran to negotiate. The Iranian Government recognizes the essentiality, in the interests of the success of the negotiations, of both Governments creating the best possible atmosphere, and will enter into negotiations in the same spirit of goodwill as that expressed by the British Government."

But the word "optimistic" had irreconcilable interpretations. The British believed that Mossadiq's stubbornness was slackening, and prophesied a foundation for a fresh concession, against the Persians' retort that Stokes must understand plainly that there could be no deviation from the Nine-Point Law, and must concede to the Prime Minister's demands.

These were official opinions, expressed by the Persians with sincerity mixed with an abundant arrogance born of the "irrefutability" of their arguments.

It was the British Consul, Major Capper, of the tiny settlement of Khorramshahr, who broached the doubts in British minds, with an outspokenness which brought embarrassment to the Embassy in Tehran, and a wave of anger to the Persians.

Capper's appraisal was accurate, but its frankness did not suit the diplomacy of the negotiators trying to restrain Persian bitterness. At a Press conference, he revealed the vexations which he and Company officials had shared in private during recent weeks. He asserted that the oil talks would fail unless the Persians ceased "pinpricking activities" against the British, and allowed the refinery and oilfields to work normally.

"The British staff has had enough—and will remain as necessary—but will not go on being kicked around while the Persian Government talks and talks," he said. "Makki, Mazda and the others of the Oil Board will have to return to Tehran. Unless these people go away, the tension will go on."

Young married British men could not feel safe in settling in Khuzistan Province again; if the British staff was subjected to a continuation of the insults and indignities they would ask to leave, the consul thought.

"It is one of the preconditions of the talks that there should be a return to the position before nationalization," he continued. "The Anglo-Iranian Oil Company is bound to ask for restoration of its houses and offices, and that the general manager, Mr Drake, be allowed to return."

Discussing the Stokes-Harriman visit, Capper added: "I hope they will come here to make a decision, as this is the hot spot. If they come here they will see the truth.

"If the talks are conducted in a friendly atmosphere, they will probably last only about a week; but they are extremely complicated, and might last weeks or months.

"We must decide exactly what part the Persian Government will play in oil production, refining and general management. There is going to be hard bargaining—the

* Persians are out to get all they can, and the Company has got to set a limit.

"The more Mr Stokes and Mr Harriman see on the spot, the more they will be convinced of the truth. If they talk only to the Persians, they will get a garbled version."

Major Capper's criticisms could be harmful to the harmony of the oil negotiations, countered Hussein Makki. He hinted to reporters that Mossadiq had found Mr Capper's survey a displeasing and unwelcome prelude to the talks.

Abbas Mazda was more eloquent: "I am not dangerous to my own people, but to the people who are robbing my people," he declared.

"I will do my utmost to prevent a rift among Persian people which would lead to thirty or forty thousand dead, as in the Spanish Civil War.

"Mr Harriman already has suggested to the Iranian Government that the temporary Board of Directors should leave Khuzistan for a short time to create a more favourable atmosphere for the talks, but the Government has rejected this suggestion flatly. The British mission also asked for similar terms, but the Persian Government has said it was out of the question, and had nothing to do with the discussions. The Board has occupied Anglo-Iranian Oil Company offices and houses legally under the Nationalization Law.

"Dr Mossadiq will not order the Board from Abadan, as this move would be unpopular with the Iranian population. We have not fought a war and been beaten, so we cannot be dictated to," flared the pudgy engineer.

The principal officials of Khuzistan administration—Governor-General Mossa Sarabandy, the military commander, General Jellali, and the naval commander, Captain Daftari—met at Abadan airfield to devise the elaborate security precautions which would cover the Stokes-Harriman visit.

They ordered Military Governor Kamal to arrest trouble-makers who tried to organize demonstrations, and decided

to keep secret from the bazaar the timetable of the tour around the housing areas.

On 7th August, the Persian quarter of the oil town was decorated liberally with banners, flags and patriotic slogans. The seven-mile road between Abadan and Khorramshahr was lined with 1,000 Persian sailors and soldiers.

It was not yet seven o'clock in the morning, but perspiration was moistening the foreheads of British and Persian management executives at the airport. The dry, catching dust, which hung like a flimsy brown shroud above the ground, indicated the advent of another torrid summer day.

Major Capper, Alick Mason, K. B. Ross and Charles Evans led the British administrators, who stood in a desultory group a few yards from the terminal building. Studiously they ignored the Persians, headed by Sarabandy and Bazargan, who were busily muttering rehearsed speeches of welcome to the visitors, and standing in front of the British, to be closer to the arrival gangway.

Engineer Mazda chatted volubly to a swarm of Persian journalists and photographers, and reserved a cheery greeting for each of the British correspondents.

Hussein Makki was angry. Dr Mossadiq had curbed a show of splendour by limiting the Persian reception. The programme was simple; in the morning, the Oil Board would escort the visitors around the housing estates, then Mr Stokes would spend the rest of the day and evening with the British oilmen and the consul. Mr Harriman was returning to Tehran the same day.

Each diplomat was flying from Tehran in a separate plane, and a few minutes past seven o'clock, the British Overseas Airways Corporation Argonaut with Richard Stokes, E. H. O. Elkington from the Company's Board of Directors, and Dr W. L. S. Nuttall, from the Ministry of Fuel and Power, circled the aerodrome, and landed gracefully beside the airways terminal.

The Persian photographers massed around the gangway

as the Lord Privy Seal, in a white tropical suit, and a white, broad-brimmed hat, stepped to the sun-baked ground. Governor-General Sarabandy and Engineer Bazargan trotted unceremoniously to the aircraft to welcome Stokes, ahead of the British group who walked with unhurried dignity to the plane.

• A Persian commentator from Radio Tehran pushed the microphone of a recording machine into Stoke's hand, and asked him "to speak a message to the Persian people". Disdainfully, the Lord Privy Seal spoke into the handpiece:

"It is a lovely sunny day, and it is going to get very hot if we stay here much longer!"

The Persian's interest in Stokes was diverted when the United States Constellation carrying Harriman and Levy appeared, and advanced over the airfield. The Lord Privy Seal was talking to the British representatives when Harriman, wearing a pin-striped grey suit and white hat, emerged to receive an effusive welcome from the Iranians. He took no notice of the photographers clustering around him and motioning him to pose, and said into the Radio Tehran microphone, "I was here nine years ago, and I am very pleased to get back to see these fine installations and the plant."

The visit of Richard Stokes to the oil city was a cheerful boost to the oilmen's depressed feelings. It suggested a practical approach to their problems, and gave them the chance to state personally their grievances against the Persians; also they could tell him that they would not work in the oilfields and refinery unless they were assured of direct British control of their welfare.

Stokes and Harriman were in the forefront of a procession of thirty cars which Makki led to the Persian living settlements. Often the cavalcade became jammed in the narrow streets, where police and troops were unable to stop crowds of Persians from besieging the vehicle to acclaim their officials.

Makki had arranged little setpieces along the route, to

support his accusations of Company neglect. Persian workmen would step from houses to declare, through interpreters, that the Company was maltreating them by insufficient provision of decent housing and amenities. But the men were often awkwardly nervous, and spoke hesitantly with sidelong glances to the British executives; it was plain that they had been instructed in their complaints by Persian nationalists, and they seemed glad to lapse into silence again. When a Persian auditor at a roadside stop produced files which he claimed proved that most of the Iranians were living in sub-standard quarters, the perspiring Stokes snapped, "We can see those in the offices this afternoon. We'll roast here."

Twice Makki admitted to Stokes' questioning that slums which they were viewing were in the municipality of Abadan, and not within the Company's estates.

"These are typical Middle East," retorted Stokes.

K. B. Ross was the host for the refinery tour, when Stokes and Harriman stood in the control rooms, among idle equipment, whose walls were lined with gauges showing zero. They viewed the refinery from the top of the thirteen-storey catalytic cracker, descending from this building in a freight elevator when the passenger lift stuck and trapped, for ten minutes, fifteen British staff and Persians who had begun to follow them up.

Averell Harriman returned to Tehran after lunch. Throughout the tour he had spoken little either to British or Persians, and left without making any comment.

But Stokes stayed on for conversations with the Oil Board, and discussions with Major Capper, Mason, Ross and Cox, before meeting the oilmen and chatting informally to them at their clubs.

At his Press conference, he told reporters he thought the Persians were becoming more co-operative. He said: "Everyone is frightfully fed up and anxious to come to a settlement. There is a general effort to improve conditions, and feeling in Tehran is much better."

"The British Government wants to keep this place open, and if we can come to any amicable agreement, every effort will be made to get the tankers back. But the Persians have got to hurry in their own interests.

"It cannot be in the interests of Iran for the plant to be idle."

Asked by correspondents for his impressions of the tour of the houses, Stokes replied, "The Anglo-Iranian Oil Company has made considerable progress, but the municipality was frightful. This is not unusual to the Middle East. It is quite unfair to lay all the blame on the Anglo-Iranian Oil Company."

Stokes had been confident of Iranian appeasement, and the oilmen had happily placed their faith in him. Now that he knew that their main wish was for a settlement which would ensure direct and efficient management by British leaders to sustain the security of their jobs and lives, they expected him to breach the deadlock, backed by the support of their endurance of the wearisome Persian meddling.

The visit of Richard Stokes had implied an assurance of success. Life in the oil city became gayer as the oilmen shed their earlier depression to settle to a communal life with more ties of mutual interests than they had known before.

They sacked house servants, and shopped together at the Company stores; they dined together at the Central restaurant and gathered at the clubs and cinema; they revived their concert orchestra and sporting recreations; their parties often were "open house", where previous animosities faded.

It was like finding a new penny in a gutter; the shine would tarnish, but the discovery afforded a moment of happy relief.

"The British men and women feel that Mr Stokes is looking after them," said K. B. Ross.

Across the river, feelings were less joyful. "If the British think they are going to play a considerable part in Persian oil they are mistaken," grouched Hussein Makki, before leaving for Tehran.

Telling reporters that he was not trying to "torpedo" the talks, Makki added: "Ninety-nine per cent. of the people are behind Dr Mossadiq! For this reason, Communists have been unable to achieve success in Iran, but there is very intensive Soviet propaganda which is trying to convince the Persian people that Iran will not succeed in the oil dispute against the British without Soviet aid.

"Should the Mossadiq Government suffer defeat, Soviet propaganda will be to convince the people that only with Russian aid can the Iranians succeed. It is in this that the great danger lies, and if the people look to Russia against their own hearts, Iran will be lost.

"The desire of the British capitalists is that the nationalisation talks should fail, and the secret wishes of the Kremlin are exactly in the same direction. British capitalists are shareholders in the Anglo-Iranian Oil Company, and they are trying in every possible way and through underhand methods to bring down the Mossadiq Government.

"This is being done with the aid of Persian-language broadcasts and commentaries by the British Broadcasting Corporation, by inspired and biased articles in the British Press, by inspiring the developments in Tehran which led to riots on 15th July when Mr Harriman arrived, and by some Persian newspapers under British control trying to influence the Persian peoples' minds, and undermine confidence in the Government.

"Disturbances which are organized under the Red flag are the work of British capitalists. If the strong arm of a Right Wing régime was put in power, it would not last longer than a few months; thereafter would come Red rule which would endanger Iran, and also Iraq, Kuwait and other places.

"British capitalists should know that a continuation of this policy can only lead the world to fire and blood. If the Near East goes up in flames, so will the world—so will British capitalists.

"If the Persians succeed after trying hard to nationalize

oil, they will be able to prevent an outbreak of war, and peace in the Near East will be secure.

"If nationalization fails, and Red rule is established in Iran, this would disturb world equilibrium."

Tehran, the uncommon meeting place of East and West, boasts a choice of royal palaces to offset the squalor of its slums. Not far from the main shopping centre, where shirt, tie and sock salesmen squat cross-legged on the pavements waiting for customers, where stamp sellers sit in door archways, where the streets are alive with every form of transport—buses, donkeys, large American cars, horse-drawn water carts—and the speeding taxis weave around the traffic oblivious to rules of the road, are the two palaces of the Shah.

In winter, the Shah may take up residence at the Marble Palace, built by his father, and set in acres of gardens among a group of palaces used by other members of the Royal family and senior officials.

A high brick wall bounding the gardens obscures it from outside gaze, and only the mosque-like dome is visible.

Ceremonial events are held at the Shah's other palaces, the Gholistan Palace, where he was married. This long, rambling building is near the main bazaar, and its function is to provide a background for gala occasions.

In summer, the Shah and his Queen escape the city heat in a palace 5,000 feet up in the mountains flanking Tehran. Tall sentries of the Palace Guard constantly patrol the avenues of trees and entrance gates, in front of green lawns where fountains play into ornamental lakes, and scores of gardeners continually prune the hedges and work in the flower beds lavishly planted with English blooms.

In an adjoining, rectangular building, known as the White Palace, the Shah receives distinguished visitors. It was in this spacious block that he conferred with the Stokes Mission.

During their stay in Tehran, Richard Stokes and Averell Harriman had lived at the Saheb Garanieh Palace, about ten minutes' drive from the White Palace. They were

guarded by a small army of soldiers and police; jeeps fitted with radio transmitters sped impressively along the roads, beside large American cars used by Persian Government officials, and past the motor cycle police dressed in American uniforms.

At night, the Stokes mission dined at a long table set by an ornamental pool, fringed by luxurious flowerbeds, and lit by a dozen glittering chandeliers.

By day, the British mission sat with the Persian delegation in a shady verandah through hours of complex discussion, while British, American, German, Swiss, French, Italian and Persian journalists lay beneath the trees beside the pool until talk had finished and the delegates were ready to disperse.

It was at this cool retreat that Stokes presented to the Persians his "Eight-Point" Proposals on 13th August—proposals closely resembling those offered by Sir Francis Shepherd on 26th April, and the Anglo-Iranian Oil Company's delegation on 19th June:

"1. The Anglo-Iranian Oil Company will transfer to the National Iranian Oil Company the whole of its installations, machinery, plant and stores in Iran. As regards the assets in Southern Iran, compensation by the National Iranian Oil Company to the Anglo-Iranian Oil Company would be included in the operating costs of the oil industry in the area. Compensation for the assets used in the past for distribution and marketing in Iran will be dealt with under the separate arrangements suggested in paragraph 7 below.

"2. A Purchasing Organization will be formed in order to provide the assured outlet for Iranian oil which is the only basis upon which an oil industry of the magnitude of that of Iran could hope to maintain itself. This will be done by means of a long-term contract, say 25 years, with the National Iranian Oil Company for the purchase f.o.b. of very large quantities of crude oil and products from southern Iran.

"3. Apart from this arrangement, the National Iranian

Oil Company would be able to make additional sales of oil subject to the normal commercial provision that such sales should be effected in such a way as not to prejudice the interests of the Purchasing Organization.

"4. The Purchasing Organization under the agreement will be placing at the disposal of the National Iranian Oil Company a world-wide transportation and marketing service including one of the largest tanker fleets in the world, and will be entering into firm commitments with its customers for the fulfilment of which it will be relying on Iranian oil. It will, therefore, as a matter of normal commercial practice, have to assure itself that oil in the necessary quantities and qualities will come forward at the times required. In order to secure this objective, the Purchasing Organization will agree with the National Iranian Oil Company an organization which, under the authority of the National Iranian Oil Company, will manage on behalf of the National Iranian Oil Company the operations for searching for, producing, transporting, refining and loading oil within the area.

"The Purchasing Organization will arrange from current proceeds the finance necessary to cover operating expenses.

"5. In order that the proposed Purchasing Organization can be induced to commit itself to the purchase of large quantities of Iranian oil over a long period of years, the commercial terms must be not less advantageous than the Purchasing Organization would secure elsewhere either by purchase or development. In effect, this means that the Purchasing Organization would buy the oil from the National Iranian Oil Company at commercial prices f.o.b. Iran, less a price discount equal in the aggregate to the profit remaining to the National Iranian Oil Company, after allowing for the discount and for the costs of making the oil available to the Purchasing Organization.

"6. In the event of the foregoing suggestions being accepted by the Iranian Government as a basis for the future operation of the oil industry in southern Iran, it is suggested that

they should be expanded into the Heads of an Agreement which could later be developed into a detailed purchasing arrangement between the Iranian Government, and the proposed Purchasing Organization. The Heads of Agreement would also provide for the immediate resumption of operation in southern Iran on an interim basis.

"7. It is suggested that all the assets owned by the Kermanshah Petroleum Company Limited, which produces and refines oil for consumption in Iran, together with the installations, machinery, plant and movable assets of the Anglo-Iranian Oil Company which have been used in the past for the distribution and marketing of refined products within Iran, should be transferred to the Iranian Government on favourable terms.

"8. There will be Iranian representation on the board of directors (or its equivalent) of the operating organization, which will, of course, only employ non-Iranian staff to the extent that it finds necessary to do so for the efficiency of its operations. It will also offer its full co-operation to the National Iranian Oil Company in any programme of training on which the latter may wish to embark."

Failure to be firm meant the loss of Abadan. The Stokes Mission had not challenged Dr Mossadiq's nationalization; while the oilmen were echoing Ross's words in saying, "Stokes is looking after us," the Lord Privy Seal had failed to recall the assertion of the British staffs that they would not be content to work under Iranian management.

While the Eight-Point Proposals were explicit in defining a commercial outlet for Iranian oil, they were inadequate in dealing with the personal problems of the oilmen and did not include the surety of guaranteeing their jobs, nor the protection for the lives of the men and their families which the British staff had asked Stokes to stress in the Tehran talks.

Foreign Minister Kazemi hustled the proposals to Dr Mossadiq, who had guessed quite accurately the main conditions which the Stokes Mission would seek to impose.

Although the suggestions were more sweeping, yet more specific, than those of 26th April and 19th June, the principle was unaltered—that of enabling Britain to retain valuable shares in the lucrative marketing side of the industry, while relinquishing to Persian control those portions, including exploration and drilling, which were costly in operation, and required large numbers of skilled technicians whose knowledge earned them high salaries.

It was easy for Mossadiq to shake off the last fingertip hold which the Company was retaining in Persia. His delegation replied five days later:

“The Persian delegation does not consider that the proposals for the future operation of the oil industry in the south, which the British delegation acting on behalf of the former oil company submitted to the Persian delegation, conform to the definition of nationalization of the oil industry stipulated in Persian Law, and which formed part of the formula put forward by Mr Harriman, and accepted by His Majesty’s Government and the former oil company.

“According to this formula, nationalization of the oil industry is defined as meaning that all exploration, extraction and exploitation operations are in the hands of the Persian Government. But the principles proposed by the British delegation would not only take out of the hands of the Persian Government a substantial part of the powers of management in the oil industry, but would also revive the former Anglo-Iranian Oil Company in a new form.

“Leaving out certain minor points, the main headings proposed by the British delegations and arguments which are now put forward on various subjects are as follows:

“1. Purchasing Organization.—In these proposals, the establishment of a Purchasing Organization, for the export of Persia’s oil, is envisaged. This organization would enter into a long-term contract, say for 25 years, with the Persian National Oil Company. This organization would buy Persian

oil in very large quantities in such a way as to approximate to a monopoly.

"Although provision is made in article 3 of the British delegation's memorandum for the Persian National Oil Company to be able to engage in additional transactions for the sale of oil, nevertheless the condition is imposed that these transactions must be carried out in such a way that they shall not prejudice the interests of the Purchasing Organization.

"The Persian Government is ready to sell to England, on a basis of ordinary commercial contracts, oil products in the quantity which has been supplied in recent years for British consumption.

"The Persian Government cannot, however, accept a situation approximating to a monopoly for the sale of oil.

"2. Price of oil and division of profits.—In the British delegation's memorandum it is suggested that the Purchasing Organization shall buy oil from the Persian National Oil Company at commercial Persian ports (f.o.b.) at prices subject to a discount in such a way that the Persian National Oil Company will receive, after payment of production expenses and amortization of compensation, a residuary profit equivalent to profit accruing to the Purchasing Organization, in consequence of this discount; in other words, that profit of the Persian National Oil Company shall be divided 50-50 with the Purchasing Organization.

"The basis of a price discount and a division of profits is unacceptable to the Persian Government. In addition, it does not accord with the normal commercial practice, because the Purchasing Organization which buys oil at Persian ports (f.o.b.) prices and takes into account its transport, insurance and distribution of costs, and its profits at the price in which it sells in consuming markets, has no further justification for requesting a discount on f.o.b. price, in such a way that half the profits of production of oil should accrue to the suggested Purchasing Organization.

"3. The operating organization.—The third important

point of the British delegation's memorandum, is that the Purchasing Organization will, in collaboration with the National Iranian Oil Company, come to an agreement about the creation of an operating organization. This organization will, under the authority of the National Iranian Oil Company, administer operations of exploration, production, transportation, refining and shipment of oil in the area. The Persian Government will be represented in this organization.

"The Persian Government is convinced that such an organization is clearly contrary to the principles of nationalization of the oil industry, constituting a limitation of the sovereign rights of Persia and reviving the former Anglo-Iranian Oil Company under a new guise.

"In addition, a similar proposal with minor differences, and even in a more favourable form, was submitted by the delegation of the former Anglo-Iranian Oil Company. This proposal was rejected by the Persian Government, and this fact was set forth in the fourth section of the formula presented to Mr Harriman, and submitted to the British Government.

"The Persian Government is conscious of its need for the presence of experienced foreign specialists for the effective administration of oil. It also realizes that it is necessary that these experts responsible for oil operations, which they will conduct for the Government and the National Iranian Oil Company, should have authority and sufficient freedom of action in respect of executive and technical matters.

"The Persian Government will also give experts the necessary powers according to the laws and internal ordinances of Persia, and in accordance with individual agreements which have been entered into with them. The Persian Government is not, however, prepared to hand over control of oil operations to a foreign organization, or to restrict the sovereignty of Persia.

"4. Transfer of the Company's properties and method of

payment of compensation.—In paragraph 1 of the British delegation's proposals, it is provided that the former Anglo-Iranian Oil Company will transfer all its installations, machinery, apparatus and equipment in Persia to the National Iranian Oil Company, and, in the case of assets situated in south Persia, the compensation to be paid to the former Anglo-Iranian Oil Company will be counted as part of the expenses of running the oil industry in that area.

"In the case of assets of Kermanshah oil, and similarly all installations, machinery, apparatus and movable property of the former Anglo-Iranian Oil Company, which in the past was used for marketing of refined products in Persia, it is provided in paragraph 7 that these properties will be transferred to the Persian Government on favourable terms.

"As regards compensation, as has been explained repeatedly, and is now stated again, the assets of the former Company have been vested in the Persian Government by virtue of the law for nationalization of the oil industry.

"The Government is ready to investigate fully and fairly the just claims of the former Anglo-Iranian Oil Company, taking into consideration the claims which the Persian Government has against the Company, and in respect of its assets in Persia and outside Persia, at last settling these claims after the rights of both parties have been established.

"By the explanations which have been given, it is proved that the proposal of the British delegation is not consistent with the sense of the formula submitted by the Persian Government, and at least the British delegation will consider objections and criticisms of the Persian delegation, this delegation, as it has repeatedly said and proved in practice, will welcome most warmly the continuation of negotiations."

A letter from the Lord Privy Seal to the Persian Prime Minister, dated 21st August, 1951, read:

"Dear Prime Minister,

"This is to confirm that my Eight-Point proposal put forward as a basis of negotiation is withdrawn.

Should you decide to accept before mid-day to-morrow the principle I outlined, which would make it possible for the British staff to remain in the refinery and oilfields, an aim which you yourself had said is necessary, I shall be prepared to resume discussions,

“Yours sincerely,

R. R. Stokes.”

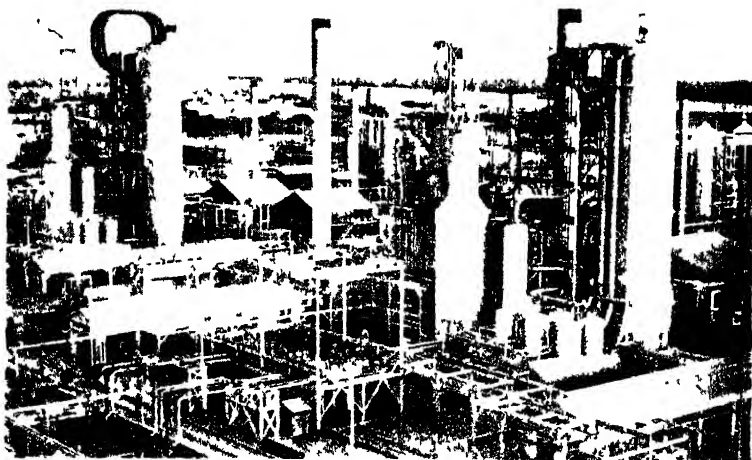
CHAPTER TWELVE

BEING in Abadan during the Tehran talks was like being at the seat of a bush fire, knowing the firefighters to be on the way but not knowing how far they had come. For Abadan was so isolated by poor communications that news of the progress of the talks filtered to the oil city twenty-four hours or more after the developments.

The Persian authorities had suspended the Company's daily newspapers, and each afternoon and evening the oilmen huddled around radio sets to listen to B.B.C. overseas broadcasts for up-to-date information. If Abadan, or Tehran, were not mentioned in the bulletins the staff was despondent, believing the omission was an augury of defeat.

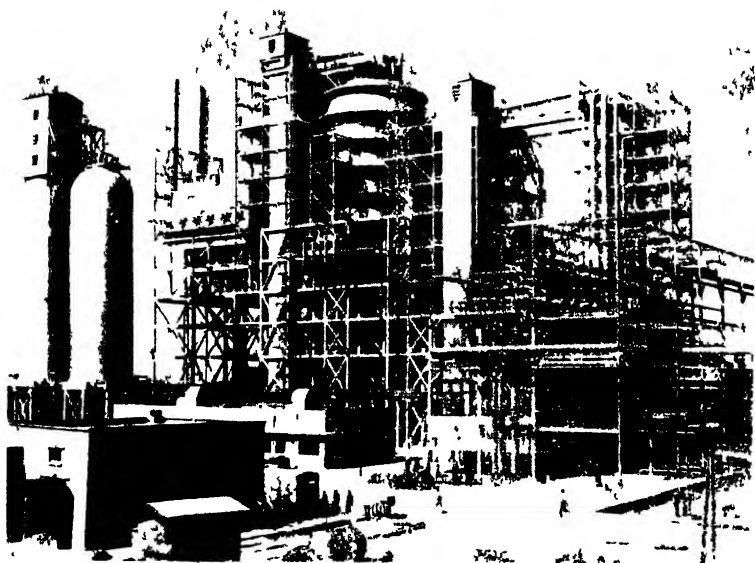
Dr Mossadiq, at the conference table with the Stokes Mission, had insisted that there could be no British managers in the administration of the National Iranian Oil Company; this was a sly sidestep from his earlier statements that there would be room in a new organization for British executives. But Stokes now was sparring for the oilmen, and told the Prime Minister in a note: "You had yourself assured me that the British staff should by Statute continue to carry out all the functions and responsibilities which they have hitherto. It was all the greater surprise to me, therefore, when yesterday you were insistent on a division of responsibility which would make the efficient administration of the refinery and oilfields quite impossible.

"I cannot emphasize too strongly that the fundamental



UNIT 3 - K 11

ONE OF THE PRODUCTION UNITS AT ABADAN REFINERY



THE 400,000-TON CATALYTIC CRACKER AT ABADAN



IN THE EVENINGS THE MEN CROWDED ROUND RADIO TOWN SPEAKERS TO HEAR F.T.C. NEWSSTUFFERS' TALKS ABOUT THEMSELVES



A. OF T. STAFF

conditions in this respect is that the British staff themselves should be fully satisfied that they are working for a management which is proved and efficient. They are free men, and if they are not so satisfied, no agreement between our two Governments will keep them in Iran.

"I cannot believe that it is your intention to make it impossible for us to work out a business-like arrangement which will enable the British staff to continue to serve in Iran, and to contribute to the prosperity of the country."

Stokes' answer had been prompt and pointed, but the Prime Minister found another opportunity to quibble, while in appearance affecting a show of co-operation:

"My dear Lord Privy Seal," he wrote in reply,

"Concerning the carrying on of technical and administrative matters which you ask to be organized so that the British employees may continue their services, if you will give consideration to the views of the Imperial Government on the question of sales and compensation, we will agree to the creation of a "management" organization which would give full confidence.

"1. View of the Persian Government regarding solution of problems arising from nationalization of the oil industry in Persia:

"Nationalization of the oil industry in Persia, and acceptance of it by His Majesty's Government, on behalf of itself and of the oil Company, has given rise to three problems for which a solution must be found, namely, sale of oil to former customers, use of foreign technicians, and fixing of compensation.

"It is evident that this solution must reconcile on one hand the interests of the Persian Government, and on the other the interests of the customers and shareholders of the former Company, within the limits of the laws for nationalization of the oil industry.

"The Persian Government, after consultation with the Mixed Commission, suggests for discussion by British and

Persian delegations, the following solution with a view to obtaining this result.

"2. Sale of oil to former customers:

"In order not to prejudice the interests of former customers of Persian oil, the Persian Government will protect their right of purchase, even giving them preference over new customers.

"His Majesty's Government and other former customers of oil may avail themselves fully of this right, and buy henceforth at fair international price on the basis of commercial agreements, the same quantity of oil as they bought previously. Moreover, if after sale to former customers any oil is left over, former customers will have priority for the purchase of this surplus on the same conditions.

"Sale of products of the National Iranian Oil Company will be f.o.b. Persian ports.

"The National Iranian Oil Company is ready to conclude sales agreements with any of the former customers, and any of the former customers may take delivery of their oil either direct or through transportation and distribution agencies and companies. It is evident that former customers may appoint one or more transportation and distribution agencies as their agents for taking delivery of the quota of oil purchased by them.

"3. Employment of foreign experts:

"The National Iranian Oil Company will retain in their posts, foreign experts with entire salaries and allowances which they enjoyed under the former oil Company in accordance with their individual agreements.

"Also, in order that there should be no change in the organization of the former oil Company, and that the great oil industry should in no way be prejudiced, the whole of that organization, as well as former administrative and technical arrangements, will be preserved (in so far as they are consistent with nationalization), and all technical and administrative sections will be put into operation as before.

"These sections will be entrusted to, foreign as well as home experts. In current day-to-day business, sufficient authority will be accorded to the heads of these sections in order that they may be at liberty to carry out their duties properly.

"In addition, that National Iranian Oil Company should not fall short of the other oil companies of the world in respect of scientific progress, a sufficient number of first-class experts from countries with no special political interest in Iran shall be employed as members of the board of management.

"4. Compensation;

"In the matter of compensation, what has already been repeatedly explained is now restated, namely, that the Government is ready to come to an agreement with the former oil Company about their claims and just demands on the Company. This will be done after a thorough investigation of the claims of both sides.

"It is clear that all of the above matters only form a basis for discussion, and do not constitute any commitment by either side."

But Dr Mossadiq had sported his quarry too long. On 21st August, Stokes announced that his mission was quitting Tehran, "as the Persian Government, following his discussions with Prime Minister Mossadiq, was unprepared to agree to any arrangement under which British technicians would remain serving in Persia, even though Dr Mossadiq had asked urgently for their continued presence."

On the eve of the collapse of the talks, the last exports of crude oil from Iran had ceased when the Persians sealed the pipeline from Kermanshah to Alwand refinery in Iraq. About 100,000 tons of fuel oil a year, one-third of Iraq's consumption, had been shut off because the Iraqis refused to sign the National Iranian Oil Company oil receipts.

But oil continued to flow into the Kermanshah refinery while Company engineers maintained production for the

Iranians, who obtained most of their supplies from these western fields.

In the southern oilfields, the British were talking of "a good going day". This was in anticipation of a total evacuation from Fields, where oilmen no longer were counting the months they might expect to remain in Persia, but the days.

Drillers and other engineers, who had been told by Company officials that they would be staying to await the reopening of the refinery, began packing. Many who owned cars drove them to Abadan for sale to bazaar dealers.

A few days before the Company decided to evacuate Fields at the end of August, I flew to Masjid-i-Sulaiman in a Company twin-engined de Havilland Rapide biplane, one of the fleet of light aircraft which provided an air taxi service for officials and technicians travelling between Abadan and the oil areas.

The other passengers were K. B. Ross, flying to Bandar Mashur, which he administered with Abadan refinery, and an oil driller. Persian Customs and police at the airport took our frontier passes and passports for inspection and signing, delaying us for two hours before letting us on board the plane.

For seventy miles we flew across barren desert, disturbed only by occasional river beds from which the water had been sucked by sand and sun. The plane rocked gently in slightly turbulent air, which even at the height of 4,000 feet blew warmly through the ventilators, until the descent to Bandar Mashur, where muddy tidal streams from the Persian Gulf straddled the oil port. Thence on to the foothills, where the oilfields lay, and where jagged, razor-backed ridges seemed to beat like sea breakers on the desert. We glimpsed fleetingly lone oil derricks, and the black-surfaced oilfields roads.

Almost an hour after we had left Bandar Mashur, the plane banked hard over, and glided between two peaks to the narrow airstrip compressed between closely adjoining hills. This was the airfield for Masjid-i-Sulaiman, and the first sight I had from the ground of the veteran oilfield was a Persian

flag fluttering from a rusty oil derrick by, the mosques of the Iranian bazaar. Persian troops and armed civil police guarded the highway to British houses and administration offices, and the main road junctions around the workshops. Many Iranian engineers were at their jobs, but thousands of naffars were idle—on full wages—in the villages.

The oilmen had plenty of time for talk, but there was not much choice of conversation.

"We're all ready to go, but if the British Government wants us to hang on, we'll do that," one of them remarked when I asked his opinion of the feelings of the men in Fields. "But every day we keep on wondering what'll happen to us if we do leave."

The British staff in Fields now numbered only about 350 of the original 1,300, including 130 Pakistanis and Indians, whom the Company was returning gradually to their countries. In each settlement, the Oil Board was nominating its Iranian managers from foremen and Iranian department heads of the Company to control the industry.

Some of the senior Persian executives were opposed to nationalization. "I am an Iranian, and so, bound by the law of my country, and I have no choice but to do as the temporary Board directs me," one manager told me sadly.

This Persian, who had charge of about 20,000 Iranians, had joined the Anglo-Iranian Oil Company more than twenty years before, and had risen to the highest executive grade. But by working for the nationalizers, under the compulsion of the Law, he would forfeit his Company pension, and was uncertain whether the Oil Board, in spite of its pledges, could maintain his salary.

I met many Persians among the workers, who did not seem interested whether British or Persian managers controlled them. I saw one demonstration of their friendliness in the invitation by a Company engineer foreman to British staff at Haft Kel, to be his guests at a wedding ceremony in his village, miles from the oil settlement.

The bridegroom was the son of the foreman, and the ceremony would be elaborate, befitting the prestige and rank of the father. At dusk on the evening of the start of the celebrations—which would last about three days—I travelled with Fields Superintendent Monty Pennell and half a dozen other British staff to watch part of the ceremony.

A villager stationed at the village gates to welcome guests saluted us with a long chant on a wooden horn, which sounded like bagpipes. More villagers chased fowl and sheep from the road while guiding our car to a reception area behind a clump of low mud huts.

Persian guests and village folk squatted on carpets and mats laid on the ground, along three sides of a square around an arena lit by two petrol-burning lamps. On the fourth side were chairs and tables, on rich Persian carpets, where we sat with the local governors and other guests of honour beside the bridegroom's father.

Bottled beer was served to the British, but the Moslems drank tea and water. We ate whole roast fowls, cooked in charcoal embers, plucking the hot flesh with our fingers like the rest of the company.

The crescent fringe of the full moon, rising slowly behind a shield of mountains was the signal for a ceremonial dance. Women garbed in flowing shawls, and led by a virgin of the village, jigged and waved coloured scarves, in step to the sonorous throbbing of a wooden drum. They were followed by youths and boys who re-enacted an ancient battle in a lively game, in which each tried to knock a stick from the hand of the other.

Then the bridegroom was introduced to each guest, to be kissed and wept over by the Persians, but congratulated by the British with the more formal handshake.

The bride did not appear; though she was in the village, she remained by custom in a hut. Among the tribespeople, women do not acquire equality with their husbands upon marriage, and this wedding had been arranged in the tradi-

tion still popular in many countries of the East, by which the couple had been betrothed in childhood by their parents. Nor were any women present as guests at the celebrations; their duty was to prepare the meals, and dance for the entertainment of the men.

Declining our host's repeated invitations to remain longer, we left to return to Haft Kel before the night curfew hour. The foreman courteously thanked us for coming—and whispered to Monty Pennell that he would deliver unfailingly next morning one of the Company's large trucks which he had "borrowed" to carry Iranian workmen to the village!

Sirens warning us of the curfew hour shrilled into the night as I drove with the Fields superintendent to his bungalow. We were about two hundred yards from his home when a Persian soldier hailed us to halt.

"I'd rather stop and let them see who I am, than drive on and risk a bullet through the car," Pennell said, braking hard.

On 23rd August, the oilmen in Fields heard the news they had been anticipating, in a message from Britain's Prime Minister, Clement Attlee:

"Now that the Lord Privy Seal's mission have returned to this country, His Majesty's Government have decided, with the full concurrence of your Company, that the British staff of the Anglo-Iranian Oil Company in Persia shall be withdrawn from the oilfields, and that the British staff in Abadan shall be reduced to the minimum necessary to preserve the important British interests which are involved in the efficient maintenance of the oil industry of Persia.

"For some months now you have endured exasperating conditions created by the Persian authorities in Abadan, and in the oilfields. Here at home we have followed your conduct with admiration.

"Some of you will now be able to come home. Others will be asked to stay in Abadan, to show that the British oil

industry is not deserting Persia, but remains ready to reach an agreement which will provide for efficient management of the Persian oil industry, security for the British technicians, and the continued flow of Persian oil into world markets.

"The Persian oil industry has been built up by British skill in partnership with Persian labour and resources. Many Persians know that unless that partnership continues, the industry cannot be run efficiently.

"The present Persian Government admits that British technicians are required, but they will not agree to any arrangement which you would find acceptable.

"The Persian people will, I hope, soon realize the harm which their present Government is causing in Persia. I hope, too, that they will understand that the British oil industry is willing to reach a fair agreement under which Persia would receive an equal share in the profits of her industry, which could be used for the economic development of the country.

"I therefore ask those of you who stay behind in Abadan to bear your hardships with patience until reason prevails.

"Your chairman and I know that you will readily do so, supported as you are by your own keen interest in the industry, by the legal authority of an order of the International Court of Justice, and by the mass of public opinion in this country."

The evacuation decision applied also to Kermanshah; the oilmen from this region were to travel by car across the Iraq frontier to Baghdad. The British staff in southern Iran were to be flown in the Company planes, or driven in buses, to Abadan, from whence they would continue on their way to Basra.

Next day, the forty-two British staff at Bandar Mashur heard that they had been included in the evacuation movement, and would leave with Fields oilmen.

This move had been planned in Tehran, when Stokes had

foreseen the collapse of the talks. The Persians had not suspected that the British were contemplating this action; and were unready to assume full control of the oil operations.

Bitterly, Abbas Mazda told correspondents in Abadan:

"Mr Stokes came here without psychological preparation, and knows very little about the problems of Iran. This is a political problem, and the proposals of Mr Stokes would be a disadvantage to Persian economy because they would prevent Iran from putting herself on the world map.

"Iranian workers will not tolerate foreign bosses, whether British or American. The oil talks have gone on too long, and the spirit of the labourers is bad—we shall have trouble.

"Educated Persians do not want to come to the oilfields to work for the foreigners. They prefer to remain in jobs in Tehran and elsewhere.

"If all bridges are broken, we will seek experts, markets and tankers."

But the Persians could not give an answer when asked where they would find money to pay the workers of the nationalized industry. The Company was leaving with Iranian managers in Fields the task of distributing wage packets for the 16,112 Persian employees of all grades, who were being paid to the end of August, though it was costing the Company £12,000 a day. The 28,000 Iranian staff and workers in Abadan were still drawing their salaries and wages at the rate of £21,000 a day.

British oilmen from Lali, Haft Kel and Naft Safid headed the convoy of Fields vehicles which rumbled into Abadan after a day-long trek across the scorching desert. A few men came in their cars, which they hoped to sell in Abadan, some from Masjid-i-Sulaiman flew in the Company planes, several officials, who had stayed to supervise the handover after the staff had left, arrived in Company taxis, but most of the men travelled in the lumbering Company buses, stuffy and dusty with their windows closed to keep out the hot air.

Behind them, the oilmen had left Persians glumly in

charge of the spectacular results of forty years of British endeavour and ability, achieved on the world's most inhospitable soil, and in its most exhausting climate. There had been no Iranian demonstrations during the evacuation; the Persians had seemed unable to understand that they were watching the end of the British occupation, and that now they had the control Dr Mossadiq had promised them.

"The procedure of leaving was rather as if all the British staff had suddenly dropped down dead, or gone sick," commented Fields general manager, Peter Cox, when he stepped out of the last car to travel to Abadan from the oilfields.

For three days, the oilmen crowded Central social centre, where they booked air passages, and signed Customs declarations. They packed into the Riverside Guest House, where Mrs Flavell repeated her triumphs of catering management with the vigour she had displayed during the send-off of women and children two months earlier.

With a vicious gesture of authority, the Oil Board announced that the British could not leave Abadan until their exit visas had been signed by the Board—and instructed Customs officers to detain four engineers at the frontier post as a warning.

Consul Capper protested, reminding the Board that Prime Minister Mossadiq had assured the British Government that the oilmen would be free to leave Abadan. The Board relented, and rescinded its order.

During this incident, Company officials did not openly contradict the Oil Board. Alick Mason told correspondents, "The Company would not approach the Oil Board members to sign the visas, as the Company does not believe the Persians have a legal right to prevent the British staff from leaving.

"Also, it might be taken as an indication that the Company recognizes the authority of the National Iranian Oil Company—but this would be a completely false impression."

Before they left, the Fields oilmen had time to stage the

annual cricket match with Abadan, postponed previously by the troubles. The teams played in a shade temperature of 115 degrees; when stumps were drawn, Abadan had scored 135 runs, and Fields, batting in the near-dark, 82.

So, for a week, with letters in their pockets for the families of British staff remaining in Abadan, Fields men boarded buses at 5 a.m. which would carry them past the white posts of the frontier to Basra, and the planes for Britain. Six technicians—Rex Bond and Charles Gladwin, of New Zealand and Jack Parry, James McClure, Jack Winchell and Geoffrey Owen, of Australia—crossed the world to their own countries.

At an evening demonstration in the Persian cemetery at Abadan, a ceremony which commemorated the death of 6,000 Persians in the 1941 Allied occupation of Iran, Hussein Makki warned a crowd of 20,000 that the departure of the British staff from the oilfields might presage a British military invasion of Abadan.

"If British troops land in Iran, even though we are short of weapons we will defend ourselves with our hands and teeth," he cried.

CHAPTER THIRTEEN

TWICE in the first fortnight of September Dr Mossadiq called for a vote of confidence from the Majlis, but deputies stayed away rather than give their assent to his régime, and Parliament assembled with insufficient numbers to form a quorum.

The Prime Minister ignored their hints that he should resign, and declared he was ready with new "counter-proposals" which he would pass to Averell Harriman to deliver to the British Government.

But the British Government said it believed that no further negotiations could produce a result, and withdrew trade facilities between Britain and Iran on 10th September. This jeopardized Persian imports of such valuable goods as steel and sugar, and froze Iranian funds in sterling currency areas.

Dr Mossadiq's act in writing to Harriman was a snub to the United Kingdom, though the Prime Minister hoped that Britain would agree in desperation to his terms and restart the oil industry. His note of 12th September, which amended slightly his earlier proposals, said:

"The Saheb Gharanieh (palace) conference, which came into existence as the result of your Excellency's endeavours and goodwill, and in which the Iran Government and people had lodged their complete faith, unfortunately did not produce desirable results. Subsequent to this, Mr Stokes and your Excellency left Iran on 22nd and 24th August res-

pectively, and the negotiations were declared suspended, in spite of the fact that in my last meeting with Mr Stokes I gave him, in writing, viewpoints of the Imperial Iranian Government, and he promised to give due consideration to the same, and inform me about his views from London.

"While the Iranian Government expected that negotiations would be started on the basis of the viewpoints submitted to him, unfortunately we have been kept in suspense up to the present. It is even said they are expecting new proposals from us in London. This state of suspense which has lasted has become intolerable.

"Since your Excellency, representing the President of the United States, has arranged negotiations between Iran on one hand, the British Government, representing the former Anglo-Iranian Oil Company on the other, and on your departure from Tehran, and later in London and Washington, had kindly proposed your voluntary co-operation, hence the Iranian Government ventures to offer the present proposals through your Excellency, with a request to their immediate transmission to the British Government, as representative of the former Anglo-Iranian Oil Company.

"First, as your Excellency is well aware the main point of difference which had appeared during the last days of negotiations concerned itself with the management of the National Iranian Oil Company. Mr Stokes suggested that either an operating agency, or a British general manager, should have charge of the management of the oil industry in the south of Iran.

"While the Iranian Government could not give its accord to such a proposal, because, according to a formula which had been submitted by your Excellency to the British Government, and both the Iranian and British Governments had agreed with the same, it was obvious that all exploration, extraction and exploitation activities should be in the hands of the Iranian Government, and to accept any proposal contrary to the said formula would be looked upon as

submission to revival of the former Anglo-Iranian Oil Company, under a new guise.

"The Iranian Government does not deny the fact of its need of a foreign technical staff, and also the fact that such technical men need to have sufficient autonomy and liberty of action which would be conducive to the best management of the industry. The former Anglo-Iranian Oil Company was divided into various departments, having at the head of each department, foreign experts with necessary and proper liberty of action.

"The Iranian Government has in mind to keep the same original staff, in so far as it does not contradict the terms of the Nationalization Law, and employ managers and responsibilities of technical sections in the National Iranian Oil Company with the same amount of authority which they have enjoyed previously.

"Furthermore, in order to keep pace with the technical advancements of the modern world in line with oil technology, the Imperial Iranian Government is prepared to take advantage of expert knowledge of foreign technicians from neutral countries, and provide in the original law of the National Iranian Oil Company the existence of a mixed executive board composed of such experts and Iranian specialists, who would jointly manage administrative and technical affairs of the National Iranian Oil Company.

"Secondly, while it has been repeatedly stated that the Iranian Government has never intended, and is not intending to confiscate properties of the former Company, yet it proposed the following three methods of equitable settlement of just claims of the former Anglo-Iranian Oil Company, with due regard to claims of the Imperial Iranian Government:

"(a) Determination and amount of compensation to be based on quoted value of shares of the former Company, at prevailing quotations prior to the passage of the Oil Nationalization Law;

"(b) Rules and regulations relative to nationalization in general which have been followed in democratic countries, to be regarded as a basis for the determination and amount of compensation.

"(c) Or any other method which may be adopted by mutual consent of the two parties.

"Thirdly, with reference to the sale of oil, as we have been informed, Britain has been using about 10 million tons of Iranian oil per year for its internal consumption, the Iranian Government declares its readiness to sell this amount of oil for a period agreed upon by mutual consent of both parties every year, at prevailing international prices on the basis of f.o.b. value in Iranian ports.

"Fourthly, one of the proposals of Mr Stokes was to transport Iranian oil by the company which he proposed.

"It must be said that we can agree to deliver a fixed amount of oil which is sold to Great Britain to any company or transport agency of their designation.

"Aforesaid points are to be regarded as a basis for starting new negotiations, and the Iranian Government hopes eventually that an agreement may be reached.

"The Iranian Government, and the people, can no longer tolerate this state of suspension, because on one hand there are great numbers of British experts in Abadan who are prevented by the former Anglo-Iranian Oil Company to be employed by the National Iranian Oil Company, and the Iranian Government; therefore, with all its good intentions and expectations to arrive at a mutually satisfactory conclusion, has so far abstained from employing experts from other countries.

"On the other hand, so long as existing differences have not been removed, and certain employees of the former Anglo-Iranian Oil Company cause new agitation every day, and create misunderstandings in relations between the two Governments of Great Britain and Iran, it is quite obvious that other countries will not be ready to send their experts

to Iran to enter into transactions for purchase of oil with us.

"It must be pointed out that as a result, this confused state of affairs and derangements in economic and financial affairs of the country, in addition to enormous maintenance costs of the oil industry imposed on our budget, we cannot endure such a situation for a long time, and the Iranian Government, because of its great responsibility, deems it necessary to bring to a close this period of uncertainty.

"Hence, if in the lapse of fifteen days from the date at which this present proposal is submitted to the British Government, no satisfactory conclusion is achieved, the Imperial Iranian Government regrets to state its compulsion to cancel the residence permits held by the British staff and experts now residing in southern oilfields."

But Averell Harriman would not play courier to Prime Minister Mossadig, particularly when he was intended to be the harbinger of the undiplomatic ultimatum which Mossadig had appended peevisly to his letter. Harriman wrote back:

"Your Excellency's message on 12th September, 1951, has been communicated to me by the Iranian Ambassador. I share your regret that the discussions between the Iranian Government and the British delegation under Lord Privy Seal Stokes did not culminate in an agreement upon the settlement of the oil controversy.

"I know that the continued interruption of the production and shipment of Iranian oil imposed a very considerable hardship upon the economy of Iran, as it does upon the economy of Great Britain. The United States, and the entire free world, looked anxiously upon these discussions in the hope that some solution could be found which would satisfy the legitimate interests of both parties.

"I assure your Excellency that I continue to stand ready to assist in any way that I can in finding a just solution. In my efforts this far, I have endeavoured to be frank and objective in the advice that I have given to the Iranian Govern-



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A TOLL OF THE 1991 RUSSIAN STATE WAITING FOR CUSTOMS
CLEARANCES IN THE CROWDS OF THE ABADAN CYMBIANA CLUB



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RUSSIAN STATE WAITING FOR CUSTOMS
CLEARANCES IN THE CROWDS OF THE ABADAN CYMBIANA CLUB



Black Star — Ron Gough.

OCTOBER 1TH, 1951: BRITISH OILMEN BOARDING THE CRUISER
H.M.S. MURCHISON, OFF ABADAN REFINERY.

ment, as well as to the British Government. It is in this objective and friendly spirit that I should like to comment upon the substance of your communication.

"With reference to the proposals in general, I should say at the outset that they appear to be the same as the proposals made by the Iranian Government during the course of the negotiations in Tehran, which the British Mission did not accept since they did not conform to practical and commercial aspects of the international oil industry. In some respects, the proposals in fact represent a retrogression from the positions taken during the discussions.

"Your Excellency has suggested that the various departments of the Anglo-Iranian Oil Company be retained, in so far as this does not conflict with the terms of the Nationalization Law, and that the managers and other responsible personnel of the technical sections be employed in the National Iranian Oil Company with the same authority which they enjoyed previously. You have also stated that the Iranian Government is prepared to create a mixed executive board, composed of Iranian and neutral foreign technicians, who would jointly manage the administrative and technical affairs of the National Iranian Oil Company.

"In discussing this possibility during the negotiations in Tehran, I endeavoured to point out to the Iranian representatives the impracticability of attempting to operate a large and complex industry on the basis of a number of section heads reporting to a board of directors, with no single individual being given executive authority. I believe no organization can operate effectively in this manner, and I understand Mr Stokes's position in Tehran to be that the British would not consider it workable.

"Moreover, I have pointed out that effective operations, particularly of a refinery of the size and complexity of that in Abadan, require the employment of an integrated organization, rather than the employment of individual foreign specialists.

"Competent technicians would not themselves consent to employment except under conditions satisfactory to them. Such conditions would include assurance that the industry was under capable management, and operated in a manner which would assure safety and efficiency.

"Your Excellency has expressed concern that the arrangement for the operation of the oil industry must take into account the requirements of the Nationalization Law. I am convinced that arrangements are possible which would meet this objective, and at the same time would assure that the oil industry is conducted on an efficient basis.

"During our visit in Tehran, Mr Levy and I discussed with Iranian officials arrangements under which a competent organization could be employed to operate under the control of the National Iranian Oil Company. Such arrangements are a common business practice throughout the world.

"Your Excellency has reiterated that the Iranian Government has not intended, and does not intend, to confiscate the property of the Anglo-Iranian Oil Company, and has suggested methods for the determination of the amount of compensation.

"While I have no comments upon your suggestions for determining the value of the assets, it is obvious that payment of compensation must depend upon, and will be affected by, arrangements for the efficient operation of the oil industry, to assure that the products continue to be made available for sale to world markets.

"As I have pointed out to your Excellency, in the view of the United States Government, the seizure by any government of foreign-owned assets without either prompt, adequate and effective compensation, or alternative arrangements satisfactory to the former owners is, regardless of the intent, confiscation rather than nationalization. There must be more than a willingness to pay; there must be the ability to do so in effective form.

"I believe, however, that if arrangements for the sale of

oil are made with the British interests, the compensation problem could be worked out satisfactorily, and that the net oil income accruing to Iran could be as large as that of any other oil-producing country under comparable circumstances.

"Your Excellency has stated that the Iranian Government is prepared to sell to the British 10 million tons of oil per year, this quantity representing an estimate of Iranian oil previously used by Great Britain. It is specified that sale would be at prevailing international prices, on the basis of the f.o.b. value at Iranian ports. It is also stated that this oil would be delivered to any company or transport agency designated by the British.

"As I pointed out to your Excellency in Tehran, in order to be assured of continuous sales of substantial quantities of its oil in world markets, Iran must make arrangements with customers that can make available large transportation and distribution facilities for marketing it on a world-wide basis. Potential customers would not make such arrangements unless they could obtain Iranian oil on a basis as favourable as that on which they could buy or develop oil in other producing countries.

"This, of course, is a practical business consideration. It is also true that only those who have developed markets for Iranian oil are in a position to commit themselves for its purchase in the large quantities produced.

"The production of Iranian oil, before the present controversy arose, amounted to some 30 million tons a year. The major portion of this production was handled by British concerns and affiliates, which have developed markets for it throughout the world.

"Only they have the great transportation facilities needed to carry the oil from Iran to its markets, where only they have the necessary distribution facilities for it. Arrangements including financial terms, for the sale of only that portion of the oil which previously went to Great Britain would leave

the problem of shipping to and distribution in other parts of the world unsolved, and would force the British interests to develop other sources of supply.

"During the negotiations in Tehran, the Iranian Government indicated its willingness to consider a long-term contract for the sale of Iranian oil to an organization acting on behalf of former purchasers of the products. Under this suggestion, that portion of the industry's output which was not covered by this contract could be sold directly by the National Iranian Oil Company to its own customers. Your Excellency's present suggestion would indicate that there has been a change in this position.

"Your Excellency, in pointing out that the suspension of negotiations with the British, and the shutdown of the Iranian oil industry have created a serious situation in Iran, has stated that if a satisfactory conclusion is not achieved within fifteen days from the date on which your proposal is submitted to the British Government, the Iranian Government intends to cancel the residence permits held by the British staff and experts now residing in the southern oil fields.

"As I pointed out to your Excellency, the proposals which you have set forth in your communication do not represent an advance from the positions taken in the discussions in Tehran, and in some respects appear to be the opposite. I believe that the problem with which Iran and Great Britain are confronted can be settled only by negotiations, based upon the recognition of the practical business and technical aspects of the oil industry, and based upon mutual goodwill between the parties.

"Such a settlement which would attain Iranian aspirations for control of the oil industry with Iran is, I am convinced, possible and feasible in accordance with the discussions we have had in Tehran, and the comments I have made. However, I consider that my passing your communication to the British Government would militate against a

settlement, particularly in view of the position taken regarding the expulsion of the British employees in southern Iran, a position which I believe will only further aggravate an already serious position.

"As a sincere friend of Iran, I earnestly hope that your Excellency will reconsider the points set forth in your communication, and that a basis can be developed under which negotiations can soon be resumed. I want to tell your Excellency how much I appreciate your communicating with me on this matter. As stated earlier, I am anxious to be as helpful as circumstances permit, but for the reasons I have set forth, I regret that it is not possible for me to meet your request in this particular instance."

The temporary Board of Directors intensified its infiltration into British-managed departments at the refinery. Persian staffs, who at first had resented the imposition of orders from Iranian heads, saw the power of the British administration slipping, and sided openly with their Persian bosses.

British authority had waned irretrievably, and Persian staff and workers had become imbued with the idea that they could carry on the job of oil production without the assistance of a British administration. No Iranians expected or wanted Mason and his office managers to remain, as there were numerous Persians with commercial training to fill these posts. Yet many Iranians thought that British technicians, particularly refinery manager, K. B. Ross, would transfer themselves voluntarily to the National Iranian Oil Company, though Ross had not yielded to the Oil Board's direct requests.

The threat of losing his resident's permit, and of being expelled from Abadan, impelled Ross to consent to many Iranian instructions. At the Board's order, he wrote a letter agreeing to the reinstatement of three Persian youths who had been dismissed from the technical training centre. During the April riots, the Company had suspended fifty-seven agitating apprentices, who were known to be members of the

Tudeh Party, or to have Communist affiliations. The three youths appealed to Engineer Bazargan, and renounced their Communist tenets.

After training superintendent T. L. Stephens had read the letter from Ross, he commented, "These three were the worst of the bunch, and I cannot have them in the training department and maintain discipline. The British teaching staff have given many years of their lives to the training and welfare of Iranian youth, and are prepared to do so under proper conditions, but it is imperative that discipline be maintained."

Stephens then asked an Iranian teacher to assume charge of the institute, and with his seven British assistants walked out of the building. Ross, sympathizing with their action, granted the instructors special leave to return to Britain.

The Oil Board had appointed Persian Engineer Shaibani as head of the Anglo-Iranian Oil Company's communications, after the British superintendent, James Cunningham, had refused to hand over details of the equipment. When the Company's refinery communications engineer, G. E. Green, entered his office one morning, he found an Armenian wireless operator, Johannes, at his desk.

"What are you doing here?" Green asked.

"You take your orders from me now," Johannes replied.

Mason at once withdrew Cunningham and Green, with two other of the British communications staff, E. T. V. Jackson and John MacDonald, from the department, leaving the Persians in control of the wireless apparatus and the telephone switchboards. Ross protested, but the Board would not hear him.

Captain Daftari, at his Khorramshahr naval headquarters noted in his logbook that the Royal Navy cruiser H.M.S. *Mauritius* had returned to Abadan, to relieve H.M.S. *Euralyus*, and that the Royal Navy destroyers *Vigo* and *Armada* were due to change anchorage with the destroyers *Saintes* and *Gravelines*, which would sail for Basra.

There were the usual formal acknowledgments between the two navies as the ships came to their moorings. It was pleasant that these change-overs were so amicable, reflected Captain Daftari.

In the lethargic heat of the next afternoon, Daftari's look-outs on the gunboat *Palang*, berthed beside the bazaar, did not report that five of the British Tanker Company's sea-going tugs, each of about 850 tons, were getting up steam; nor did they tell of the small British naval launches which had carried officers to the vessels.

These tugs were part of a fleet which had not left Abadan since the refinery had closed. Their job had been to tow oil barges with loads of about 1,600 tons of oil products to distant Persian ports in the Gulf, especially Bushir, 150 miles from Abadan, and Bandar Abbas, 450 miles away.

Though the Persians did not know it, the Company had diverted to Kuwait, one tug heading for Bandar Abbas with two 400-ton barges.

At 2 p.m., the destroyer *Saintes* slipped between the Iranian gunboat and five of the tugs, which peeled off from their anchorages. Then, with their bows heading up river, and *Saintes* ahead, the vessels sped to Basra. Three of the tugs were manned by Indian crews, and two by Persians, who were sent back to Abadan after the ships had arrived.

There were furious protests from the Board. But Company officials blandly reminded them that the tugs had been anchored in Iraqi, and not Persian, waters.

In retaliation, the Board banned all Company launches from visiting the British Tanker Company's ships and barges still in the stream. They placed soldiers by barges moored at the shore, and moved a few small river craft to Braim Creek. But they watched helplessly a few days later as the Royal Navy frigate, H.M.S. *Loch Quich*, collected another scoop of British vessels—a small tanker, and three tugs. For the vessels were protected by *Mauritius*, and anchored in Iraqi territorial waters, and the Persians could not prevent their leaving.

These departures deprived the Persians of essential transport, as there were neither railways nor suitable roads for long overland haulage to the remote communities of the Persian Gulf.

To emphasize its objection, the Board withdrew the resident's permit of shipping superintendent Dudley Box, and insisted to Ross that the British shipping staff hand over their offices and bungalows to the Persians. Engineer Moggadan, whom the Board had appointed as shipping supervisor, suggested with soothing williness that Box might not be expelled if he organized the remaining seagoing tugs in the Shatt-el-Arab River to tow oil barges to outlying Iranian ports.

The Persians were baulked when Box refused, giving as his reason that the tugs belonged to a subsidiary of the Anglo-Iranian Oil Company, and that he had not the authority to direct their movements.

Instantly the Board confirmed the order to expel Box and with characteristic obtuseness, enlarged the notice to cover the dismissal from Persia of communications superintendent Cunningham.

Having missed its prize of ships, the Board made sure of the road transport. The transport manager, A. M. ("Steve") Sargent had returned to Abadan early in September from leave in London—one of the few specialists the Company had recalled to the refinery. The Persians had readmitted him reluctantly, delaying him in Basra before issuing him a permit.

The transport department was one of the largest organizations in the refinery, with a stock of 2,995 vehicles and spare parts valued at £11,000,000, and employing 3,024 Iranians with twenty-five British staff.

Sargent had scarcely settled behind his desk when the Oil Board appointed Engineer Shaibani to control the department. Sargent handed him a list of vehicles and equipment, and walked out with his British staff.

Some senior-grade Persians had talked wistfully of escap-

ing from Persia. They could not leave the country legally, as the Oil Board blocked their applications for exit visas. But British oilmen helped in the flight of one Persian, an electrical engineer, named Fartash, whose wife was living in Britain.

At dawn, a Company truck driven by a British engineer met Fartash near the bazaar. They drove past police guards to a secluded mud landing-place on the Shatt-el-Arab shore, where two Arab fishermen were nonchalantly mending nets beside their dug-out canoe. Fartash leaped into the canoe, and the fishermen paddled off to land on the Iraq bank farther along the river. With the aid of friends in Iraq, Fartash travelled to Basra, and booked an air passage on a plane to London.

For three days armed police waited outside his Abadan home, until the Persians heard he had evaded them.

Police raided the house of another Persian Company senior official, the labour relations chief, Kazerooni. Later the Abadan police chief apologized, but refused an explanation.

The Company fixed a final pay date for the Persian workers in departments which had come under Iranian control, and suspended its employees. A letter circulated by the British managers told the Persians:

"During the period of suspension your salaries and allowances will cease, and you are free to take employment elsewhere. When operations recommence, and if circumstances permit cancellation of this suspension, your services before and after the period of suspension will be regarded as continuous for all purposes.

"Meanwhile, there will be no final settlement as your services are suspended, but not terminated. We repeat, it is with the greatest regret we find ourselves compelled to take this action.

"We take this opportunity to thank you for your services in the past, and express the hope that conditions in the industry will soon return to normal."

Thousands of Persians were deprived of their salaries and wages from 16th September, but those who worked with the British staff in the power, water, ice and other necessary services were kept on the payroll until 8th October.

Hussein Makki commented: "We are not moved. The Board has accepted responsibility for all Persian staff and workers, and will go on paying them as before."

Prime Minister Mossadiq realized with anger that the British Government and the Company would not be tempted by more of his inveigling proposals. Tentatively he had suggested another meeting with a British delegation, listing terms similar to those discussed by the Stokes Mission. But Sir Francis Shepherd rejected the document bearing the suggestion, though handed to him by the Minister of Court Hosain Ala, as it was not written upon official notepaper, and had neither date nor signature.

Mossadiq sulked for almost a week, then, on 25th September, announced to his people that the British oilmen in Persia were "redundant".

"They must quit Persian territory in one week from 27th September," he declared.

The British Cabinet met at once, with the Chief of the Imperial General Staff, Field-Marshal Slim, the Vice-Chief of Naval Staff, Admiral Creasy, and the deputy-Chief of Air Staff, Air Marshal Sanders, in attendance. Afterwards, the Prime Minister, Mr Attlee, the Foreign Secretary, Mr Morrison and the Chancellor of the Exchequer, Mr H. Gaitskell met the Leader of the Opposition, Mr Winston Churchill with Mr Anthony Eden. Clement Attlee also telegraphed Washington, and President Truman asked Persia to withdraw the expulsion order. In Tehran, the British Ambassador protested to the Persian Foreign Minister, Kazemi.

Mossadiq summoned a meeting of the Majlis, to assure him a vote of confidence; but for the fourth time in the month he could not obtain a quorum. With his Minister of the

Interior, Amir Ala'e, Mossadiq stalked into the streets outside the Majlis.

A crowd had assembled outside to greet him after the Majlis session. When he appeared with his supporters, the mob cheered wildly, and garlanded him with roses.

Weeping bitterly, Mossadiq standing on a lemonade vendor's barrow, accused the Anglo-Iranian Oil Company of having exploited Persia's oil wealth. Parliamentary deputies who had opposed him by failing to arrive at the House to give him a vote of confidence he reviled as "creatures of the Anglo-Iranian Oil Company".

With a defiant gesture toward the House, he asserted that he could run Persia without the Majlis. "The Majlis is wherever the representatives of the people are, and you are the true representatives of the people," he told the crowd.

The people shouted, "Death to the British!" Mossadiq replied, "Do not say 'Death to the British'. Pray Almighty God to guide the British." Then he fainted backwards into the arms of his followers.

Moslem religious mullah Kashani ordained a special holiday on the last day of the month throughout Persia, as a protest against Majlis opposition to his friend, Dr Mossadiq, and the residence in Iran of the British Ambassador.

Persians from Abadan joined with hundreds from Khorramshahr in a mass parade around the British Consulate, and an excited procession to the telegraph office, where they sent a telegram to Mossadiq affirming their support for his nationalization policy.

"To-day is a day of hate against the British Government, and not against individuals," Makki told correspondents later. "But if any British staff try to stay on after midday next Thursday, I will order the civil police to remove them; they will be escorted to the frontier, and seen off with the greatest respect and kindness."

CHAPTER FOURTEEN

JOHN STEVENS came into my room at Riverside soon after daybreak.

"Hussein Makki has said that anyone staying on after to-day will be escorted across the border, hasn't he?" he asked me.

He was tugging a bulging kitbag. His red hair was tousled and his eyes drooped.

"That's the story Makki gave to the papers," I said.

"Then I'm going to let the Persians arrest me, and force me to go. I'm not leaving Abadan, not without Annoush." Stevens flung his kitbag of clothes on the floor, and squatted on a spare bed in the room.

Clumps of palm trees curtained the river scene, but we knew that the other oilmen were queuing by the shore for places in launches which would ferry them to the cruiser *Mauritius*. We heard in the distance the sound of a large aircraft flying toward us, and as the roar of the engines approached, Stevens grimaced unhappily.

Stevens had not seen Annoush for more than a week, since Dr Mossadiq had banished the British staff from Abadan, but Persian friends had carried messages between them.

Three times during their eight months' engagement, Stevens and Annoush had invited their wedding guests, and each time the ceremony had been postponed because the Persians withheld the final approval which would allow

Annoush to marry a foreigner. Nor would any Persian officials issue her with an exit visa to enable her to leave Iran.

"Perhaps when the Iranians realize that I've made up my mind, they'll let her come with me instead of putting me in gaol," said Stevens.

The Abadan oilmen had spent the past days in a torpor of gloom. Their clubs, cinema and swimming pool were now haunts of the Oil Board chiefs and newly-promoted Persian staff. More Persians than British played at the roulette gambling tables, but their Moslem religion kept them away from the liquor bars where the oilmen met.

Dispiritedly, the men and nurses had telegraphed the London office: "Immediate decision imperative. Position becoming impossible. Must know exactly what we are to do, and how it can be done."

Stray dogs, left behind by the men, which had evaded destruction, snuffled around empty bungalows. Broken doors and windows showed the work of looters on the silent homes. Long, tangled weeds smothered smoothly-groomed lawns and gardens, and gates creaked dismally on rusting hinges.

Abadan was a derelict wreck, sinking helplessly, like a stricken ship, into an ocean of oblivion.

The evacuation of Abadan on 4th October, 1951, was the climax to a combination of lack of understanding by the Company in days when it could have impressed the Persians favourably with its benefits, and, in the late stages of the dispute, clumsy and indecisive manipulation of the oil issue by the British Socialist Government. The Company had wasted invaluable years in relying on the Persian Government to inform the nation of the industry's programme of welfare and development. It was serenely untroubled by the calls of the Persian people for nationalization, smugly remote and unaware of the hatreds piling up around it. Vaguely, the British Government had maintained its contention that Mossadiq's abrogation of the 1933 Concession was a viola-

tion of the sanctity of contracts, but the arguments had been lost in airy expostulations and appeasement. Abadan should not have been surrendered. The oilmen need not have lingered in mawkish deference to British pride. The United Kingdom Government had moved hesitantly in the direction which might have compelled a settlement, had the steps been co-ordinated, and acted upon at once.

The main British reactions had been, at intervals, the stopping of the oil revenues, the shutting down of the refinery, the freezing of sterling funds held to Persia's credit by British banks, and the decision, inopportunately deferred by the United Kingdom Government until a week before the evacuation, to appeal to the Security Council. The intervals between each move had given Mossadiq plenty of time to adjust his policy to each new circumstance.

The Persian Prime Minister's own moves could have been countered in the insecure early days of his office. Negotiations which pursued unchanging principles pandered to his hollow show of power, and allowed the successful establishment of his conservative policies.

To other small countries where dissident opinion preached against the British, the shattering triumph of the weak Iranian nation was a textbook example. Sheiks and chiefs of the East, who drew vast incomes from oil royalties, were worried by the collapse, as it seemed an omen for similar popular reaction in their own territories. Few foreign oil companies had followed the practice of the Anglo-Iranian Oil Company of spending part of their income on amenities for workers. Most paid their royalties, and sagely did not inquire where the rulers spent their money.

Oil companies have had to draw more heavily on their reserves to avert the shortage of world oil threatened by the loss of the Persian oilfields, and new refineries in Europe, America and the East are only now catching up with the loss of output of specialized products which streamed from Abadan. But demand for oil leaps ahead of supply; demand is incalculable,

and will not recede until atomic power drives engines and machines.

Exploration finds new wells, but the unending search proves the gap. Yet, under the soil of Persia almost half the developed deposits of the Middle East lie wasted.

The British staff who stayed on at Abadan after August were known as the "hard core". Their job was to remain as the caretakers of the British property, to supervise the maintenance of refinery equipment, operate the essential services which could restart the refinery quickly, and ensure adequate health services, including staffing of the Company hospital. By Evacuation Day, only 290 Europeans lived in the oil city built to house 5,000; with them were 350 Indians and Pakistanis, whom the Company were returning to their countries.

The British Government gave the men a week's notice to be ready for evacuation. The oilmen heard the news through the British Broadcasting Corporation's news bulletins before their Company chiefs told them.

Alick Mason said he would ask the British Government to send about eight passenger planes, which would fly the British staff unobtrusively from the refinery city. But the oilmen were disgusted when the British Government, without answering Mason's request, announced that the oilmen would be taken off from Abadan by the cruiser *Mauritius*, which would carry them to Basra to meet the planes for Britain.

When the Persian Ministry of War declared that boats from *Mauritius* would not be allowed to land at the refinery jetties, and that Iranian Navy launches would ferry the men to the warship, the staff protested indignantly to Ross.

"It's humiliating," one oilman said. "We've been waiting around here for months, only to be kicked out of the country—and we've got to parade in front of the Persians like a bunch of slaves before we leave."

All felt cheated of dignity, and resentful that their banish-

ment should be an open spectacle, for the enjoyment of thousands of Persians.

Yet the British could still laugh at the Persians.

There was the episode, for instance, of Mrs Flavell *versus* the Tank. With only three nights left of British occupation in Abadan, Persian troops had been increasing their numbers around the Braim settlement. Trucks filled with soldiers, sitting bolt upright rolled through the streets at night, and tanks were posted at several corners.

The officer in charge of a tank standing by a road nearby decided to manœuvre his vehicle about two hundred yards among the date palms in the grounds of the Riverside Guest House, shortly before midnight. His steering was not accurate, and the tank as it lumbered along the guest house drive, wrecked one of the gateposts.

Then the officer swung the tank on to the lawn, and guided it between the palm trees, its tracks churning up the soft soil into a trough.

Mrs Flavell, horrified at the intrusion, grasped a parasol from her office, and dashed through the doors.

"Get off my lawn!" she bellowed at the flustered officer, waving her parasol as belligerently as though it was an elephant gun. The officer disappeared into the turret of the tank; but, suddenly, the scene was bathed in a momentary, white glow.

Startled, the officer bobbed his head from inside the tank, and spotted a Swiss photographer, René Groebli, standing by the tank, with one of the soldiers pointing a rifle to his breast. It was a flashlight bulb which had scared the officer, who jumped from the tank and snatched the camera from Groebli.

Laboriously, the tank eased out of the guest house grounds, while the unhappy Groebli expected the Persians to wreck his camera.

There was a quick conference of Press correspondents, and we decided to ask Engineer Bazargan, who lived in a

house opposite, for his assistance in regaining the camera. Persian soldiers guarding the Oil Board chief's house let us pass along the driveway, but stopped Groebli ringing the doorbell. A servant, summoned by a sentry, told us Engineer Bazargan was asleep, so we wakened him by caroling his name under his bedroom window.

At first the Persian engineer, leaning over a balcony in his night clothes, refused to intervene, but when he retired to his room we brought him back with more shouts. Then he disappeared for twenty minutes, to tell us on his reappearance that the military governor had ordered the officer to hand back the camera.

The tank officer had by now joined us, camera in hand, and at Bazargan's instruction, passed it, with film intact, to Groebli.

"Stand Firm, You Cads!" was the title the oilmen gave to a revue show they staged in those last days. The oilmen's orchestra, conducted by a refinery engineer, "Taffy" Williams, provided the music, and the men and nurses wrote their own sketches and songs. The show was so successful, that it was repeated two nights later, though many in the audience had seen the original presentation.

The night that Dr Mossadiq announced that the Abadan staff was "redundant", oilmen were dancing with the few British nurses under the gay-coloured lights of the Boat Club. At nine o'clock, the dance music was switched off, and the radio bulletin was relayed through the loudspeakers.

When they heard of Mossadiq's decision, the men clapped and cheered derisively. Someone switched back the gramophone, and played one of their favourite tunes, the "Colonel Bogey" march. It was the lightest relief anyone had known in Abadan for weeks.

But the evacuation was a serious event for the Oil Board, who to the end never gave up the belief that Ross would stay while others left, and turn the idle refinery into a source of wealth for Persia.

Engineer Bazargan held an evacuation-eve dinner party at his home for K. B. Ross; but Alick Mason and the other administrators from Khorramshahr were not invited.

Hussein Makki arranged for the Press to use the wireless station at Abadan throughout The Day, which meant an extension of its usual four-hour service, during which messages frequently failed to reach Tehran. A breakdown of telephone communications had cut us off from Basra for three days, and the line was mended only in the late afternoon of 4th October. Without the wireless, Abadan would have been isolated.

There had been few changes among the Press since July. Reg Steed had relieved Colin Reid of the *Daily Telegraph*. Reuters' reporter, Harry Whyte, had left Abadan in July, but his replacement, Harry Mitchell, had been unable to obtain a resident's visa to remain in Persia. Robert Bigio had flown in two weeks later, for Reuters, but had left in the middle of September. Since then, the Persians had refused to allow any of the Reuters' correspondents into the oil city, so I took on the Reuters' responsibility.

Since the Richard Stokes visit, I had covered events in Abadan for Associated Press of America news agency, whose Tehran correspondent, Fred Zusy, flew to the oil city on 3rd October. While there were no Kemsley Newspaper reporters in Abadan, I had written several week-end articles for *The Sunday Times*.

Many London newspapers had sent reporters to the Shatt-el-Arab Hotel, in Basra, where the oilmen would stay after disembarking from the cruiser. Most of the correspondents had received a cable telling them to watch for John Stevens—I had sent a brief preliminary story describing his ordeal with Persian officialdom before the evacuation—but they waited fruitlessly for what they had considered would be the best "human interest" story of the day. Unfortunately, I could not tell the story that Stevens was hiding in my room, for the message would have disclosed that he was in Abadan, before

he could leave the country. Until he had contacted Annoush, his presence had to be kept secret. That evening, secrecy became even more imperative following a turn in events that threatened to expose him.

The aircraft which Stevens and I had heard above us in the morning was the sole plane which the British Government sent to Abadan to assist in the evacuation. A B.O.A.C. Argonaut, piloted by Captain Oscar Barnett, it was to fly to Britain the medical superintendent, Dr Edward Creasey, Dr Anderson, and the matron, Mrs Dorothy Ridges, the nurses, three British patients, and Mr and Mrs Flavell.

Mr John Derbyshire, an official from the British Embassy at Tehran, watched the British staff as they passed through the customs, but the Persians did not detain the passengers or search the baggage—in which the nurses had stowed twenty-two pound hams “saved” from the Company’s cold stores.

As the plane taxied to the runway, the Union Jack fluttered from its masthead. Then, with its powerful engines pounding deafeningly, it took off, circled the refinery, dipped its wings in salute to the cruiser *Mauritius* and destroyer *Armada* below, and headed for Britain.

It was the sort of evacuation which the men had wished for—for all of them. There were 268 oilmen to board the cruiser, and the Gymkhana Club, close by the landing jetty, was transformed into a Customs clearance shed. From dawn, the men had waited disconsolately in their bungalows for the Company buses to arrive, and bring them to the evacuation point.

One of the first men at the Gymkhana Club was the Rev. Tyrie, who had locked the church and asked Dr Fallah, one of the Company’s senior staff in Tehran and now an executive of the Oil Board management, to ensure that it and cemetery would be respected. Inside the church was the steel safe storing the records of births, deaths and marriages in the oil city—with the last entry made on 19th June, when

oilman Arthur Parratt had married his bride, Miss Hazel Thomas, who had flown from Britain a few weeks before and returned a week later.

Then Bernard Stiles stepped from a bus. Since Bob Knowles had left Abadan in July, Stiles had been the Press liaison officer. He was bringing from Abadan one of the few dogs owned by the oilmen which had not had to be destroyed.

The dog, a large Alsatian named Shangi, was a valuable animal, belonging to Julius Edwardes. Shangi's destination was unusual. From Basra, the dog was to be shipped to a friend of Edwardes, who lived in Istanbul, Turkey.

The oilmen arrived at the Gymkhana Club, spreading their luggage of suitcases, travelling bags, golf clubs, fishing rods and tennis rackets in a square for Customs inspection. Crates, with heavier baggage, were being taken by Company trucks to a cargo steamer in the river. But some oilmen had valuable property which they could not carry. Several had relinquished launches and yachts on the banks of the river beside the Boat Club, and a few had left cars in garages.

The consul, Major Capper, and the military attaché from the British Embassy in Tehran, Colonel Dunn, joined the oilmen at the loading jetties. It was Major Capper's last official act in Abadan, for he had incurred the displeasure of Dr Mossadiq with his remarks about the Persian attitude to the oil negotiations before the Stokes Mission had arrived.

Dr Mossadiq found these comments a good enough excuse to request the British Government to recall the Consul, and Major Capper was due to quit Persia the next day with Mason, Ross and other administrators of the British oil industry.

While the oilmen were waiting their turn for the customs officers, departmental heads distributed a circular bearing the text of a telegram which Alick Mason had received from the chairman of the Company, Sir William Fraser. It was no solace to the discomfited oilmen to read:

"At this time, when you and your staff are leaving a great industry which has been built up by you and your predecessors, I and my co-directors, together with all your colleagues in the United Kingdom and overseas, join in tribute to your courage and tenacity in the face of the most difficult situations which ever confronted the management and staff in the Company's history.

"You have the satisfaction of knowing that you have fulfilled your duties in a manner which has been a source of pride to the British people. We look forward to welcoming you home."

There was a note attached, from Sir Francis Shepherd: "I appreciate the very great disappointment you must feel at being obliged to abandon, if only for a time, the great industry which you and your staff have built up, and which has been of such great benefit to Iran.

"We must still hope that truth and wiser counsels will soon prevail."

From his consulate, Major Capper had added: "On behalf of the consulate staff, I wish you *bon voyage* and a well-deserved leave, and speedy return."

At eight o'clock the Royal Marines Band on *Mauritius* played the Persian National Anthem, and signalled to the launches to begin the evacuation. K. B. Ross stood at the end of the jetty, shaking each oilman by the hand and helping the men into the boats.

Photographers travelled with the men to the cruiser. "Come on, lads, smile, give a cheer and a wave to show you can take it," the photographers appealed, and the men responded. But as they neared the warship, they became silent, and looked back unhappily at the deserted refinery.

"I don't understand it. I just don't get it," muttered one oilman miserably.

Hussein Makki did not come to the jetty to gloat over the evacuation, as the oilmen had imagined. "He is very busy working in his office," said Abbas Mazda, who had accom-

panied Brigadier Kamal and Dr Fallah to the loading place.

General Riahi, whom the Board had appointed as head of the refinery, paused on his way to Ross's former office to watch the evacuation.

"We will be going on with the Company's programme for maintenance and overhaul, as though nothing has happened," he told correspondents, pointing to the refinery smokestacks where Persian steeplejacks were painting the towering chimneys, and to the twelve Company tugs which the Board had seized, and on which men were obliterating the British Tanker Company's colours on the funnels.

The Customs check was perfunctory, for the Persian Government had told the officials to clear the British as quickly as possible. Within three hours all the oilmen who were *en route* for Basra were on board the cruiser, and were taken below to a wardroom where food and drink in plenty were laid out.

Mason and Ross visited Commodore Wallace on the warship, then left the evacuation point to watch the departure from Ross's house.

At 1.30 p.m., the cruiser's engines began to throb, and the ship slowly glided up river, with the Royal Marines Band playing the "Colonel Bogey" march. As the men passed Ross, Mason and the six Company officials who would be leaving from Khorramshahr next day, they raised three cheers.

"Goodbye, K.B.," they called.

"See you in London."

"Good luck."

Then, one hearty voice from the cruiser—"Any more for the Skylark!"

Although the Persians had submerged the two floating docks in the river to prevent their being towed away, and had successfully snatched the small tugs and barges berthed by the Iranian shore, they had looked enviously during the

past week at the five sea-going tugs which had anchored in a cluster around the cruiser, and out of their grasp.

As *Mauritius* passed Ross's house, the tugs wheeled quickly into line, and followed the warship up river, their Red Ensigns flying proudly at their mastheads.

The Persian authorities had forbidden Company executives to attend the embarkation of Indians and Pakistanis, who were leaving from Khorramshahr in the vessel *Doressa*, but the vice-consul, Evans, watched the boarding.

Their embarkation was managed by Customs officials as speedily as that of the oilmen in Abadan, and their ship sailed a few minutes after *Mauritius* had passed the port of Khorramshahr.

The British oilmen arrived in Basra in mid-afternoon, and Press correspondents who met them were inquiring, "Where's John Stevens?" "Is John Stevens about?" Reporters telephoned their colleagues in Abadan, and the British Consul in Khorramshahr when they realized that Stevens had not accompanied the men on the ship.

"The reporters in Basra are trying to get on your trail," I told Stevens, after I had talked to a colleague who had phoned me from Basra.

"Don't say anything yet," he begged. "I don't want to risk the Persians finding me before I've had a chance to see Annoush."

The Oil Board had agreed to the Press staying at the guest house in Abadan after the evacuation ("you are the welcome guests of the National Iranian Oil Company," Mazda had said), though the eight British executives who would be leaving for Iraq next morning had assembled in the Company houses at Khorramshahr. This suited Stevens, who was able to remain hidden overnight in my room; but he could not come into the lounge for he would have been noticed by the Persian Oil Board staff who had moved into the guest house, or the other correspondents, who did not know he was in Abadan.

Martial law was still in force, and two Iranian soldiers, with fixed bayonets, patrolled the driveway outside my window. Tanks and armoured cars, with more troops, held their posts around the refinery as they had done in the months since the April riots.

Gradually the daylight faded, and a cool evening breeze rustled the dry leaves of the date palms. A Persian voice sang, sadly it seemed, distantly by the river shore. Desert hyenas howled at the approach of the moon and mongrel dogs from a mud-hut fishing village joined in with persistent, defiant barks.

It was dark when a houseboy came unexpectedly into the room to prepare my bed. Luckily, he was the best of the servants, intelligent, and able to speak some English. I suggested to Stevens that this houseboy might be willing to dare crossing the lines of troops to deliver a message to Annoush. Dubiously, Stevens consented when the servant, who had understood our conversation, said he knew a route which few sentries were guarding.

Stevens wrote a brief note telling Annoush he had stayed in Abadan—for he had not warned the girl of his intention—and that he would try to arrange a meeting. He did not sign the note, and repeated the address in Persian until the houseboy had memorized it accurately.

Iranian troops sometimes stopped people who were out in the dark and searched them for loot. Stevens told the servant to destroy the note if the police or soldiers should ask him any questions.

The servant departed. Stevens lay on a bed and closed his eyes, too tensely anxious for further conversation. I walked into the lounge, and sat with other correspondents who were chatting to the Persian manager of the guest house and his wife.

One hour dragged by, and then a second, before I returned to the room. Stevens had not moved from the bed, and his eyes did not budge from my alarm clock, watching the hands as they neared the curfew hour.

With only a few minutes to go before curfew, the servant entered the room with a note from Annoush. Stevens read it and his face glowed with new hope.

A relative of the girl's family, an aunt, who was visiting Annoush's parents, was returning the next afternoon to her home in Basra. Annoush had applied to the police chief at Khorramshahr for a permit to cross the border to nurse her aunt, who was an expectant mother.

The police chief had agreed to issue the document, and Annoush was to call at the police station for it in the morning.

Stevens decided to travel to Khorramshahr with me, and while I would go on to watch Mason, Ross and the remaining British staff leave, he would wait in the British Consulate until he heard that Annoush had obtained the permit, then drive to Basra in a taxi and meet her at the Shatt-el-Arab Hotel.

Next morning, I arranged for a Company taxi to call for me at the guest house. When it arrived, Stevens, unobserved by the Persians outside, entered it with me and drove off.

Soon after midday, a Persian messenger told Stevens that the police chief had issued the permit to Annoush. The Consulate officials hired a taxi from the bazaar, and he drove to Basra.

They met about two hours later; but there was a six weeks' delay before Annoush was granted a British visa, and the legal formalities for their marriage were completed. After the wedding, the Company paid their air passages to Great Britain.

K. B. Ross was the first of the oilmen to quit Khorramshahr. The Oil Board had gathered to bid him farewell, and Makki presented him with a Persian carpet.

"Would you call that a fair exchange?" commented Ross. But he shook hands amicably with Makki and Bazargan, as his car drove off to Basra.

Two more cars pulled alongside the Company houses for Mason and his team of administrators. The Oil Board had no interest in their departure, turned their backs on the British, and walked briskly back to the offices of the National Iranian Oil Company.

APPENDIX I

Convention concluded between the Imperial Government of Persia and the Anglo-Persian Oil Company, Limited, at Tehran on 29th April, 1933.

PREAMBLE

For the purpose of establishing a new Concession to replace that which was granted in 1901 to William Knox D'Arcy, the present Concession is granted by the Persian Government and accepted by the Anglo-Persian Oil Company Limited.

This Concession shall regulate in the future the relations between the two parties above-mentioned.

DEFINITIONS

The following definitions of certain terms used in the present Agreement are applicable for the purposes hereof without regard to any different meaning which may or might be attributed to those terms for other purposes.

“The Government”

means the Imperial Government of Persia.

“The Company”

means the Anglo-Persian Oil Company Limited and all its subordinate companies.

“The Anglo-Persian Oil Company Limited”

means the Anglo-Persian Oil Company Limited, or any other body corporate to which, with the consent of the Government (Article 26), this Concession might be transferred.

“Subordinate Company”

means any company for which the Company has the right to nominate directly or indirectly more than one-half of the directors, or in which the Company holds directly or indirectly, a number of shares sufficient to

assure it more than 50 per cent. of all voting rights at the General Meetings of such a company.

"Petroleum"

means crude oil, natural gases, asphalt, ozokerite, as well as all products obtained either from these substances or by mixing these substances with other substances.

"Operations of the Company in Persia"

means all industrial, commercial and technical operations carried on by the Company exclusively for the purposes of this Concession.

ARTICLE 1

The Government grants to the Company, on the terms of this Concession, the exclusive right, within the territory of the Concession, to search for and extract petroleum, as well as to refine or treat it in any other manner and render suitable for commerce the petroleum obtained by it.

The Government also grants to the Company, throughout Persia, the non-exclusive right to transport petroleum, to refine or treat it in any other manner and to render it suitable for commerce, as well as to sell it in Persia and to export it.

ARTICLE 2

(A) The territory of the Concession, until 31st December, 1938, shall be on the territory to the south of the violet line drawn on the map signed by both parties and annexed to the present Agreement.

(B) The Company is bound, at latest by 31st December, 1938, to select on the territory above-mentioned one or several areas of such shape and such size and so situated as the Company may deem suitable. The total area of the area or areas selected must not exceed one hundred thousand English square miles (100,000 square miles), each linear mile being equivalent to 1,609 metres.

The Company shall notify to the Government in writing on 31st December, 1938, or before that date, the area or areas which it shall have selected as above provided. The maps and necessary data to identify and define the area or areas which the Company shall have selected shall be attached to each notification.

(C) After 31st December, 1938, the Company shall no longer have the right to search for and extract petroleum except on the area or areas selected by it under paragraph (B) above, and the territory of the Concession, after that date, shall mean only the area or areas so selected, and the selection of which shall have been notified to the Government as above provided.

ARTICLE 3

The Company shall have the non-exclusive right to construct and to own pipelines. The Company may determine the position of its pipelines and operate them.

ARTICLE 4

(A) Any utilized lands belonging to the Government, which the Company shall deem necessary for its operations in Persia, and which the Government shall not require for purposes of public utility, shall be handed over gratuitously to the Company.

The manner of acquiring such lands shall be the following: whenever any land becomes necessary to the Company, it is bound to send to the Ministry of Finance a map or maps on which the land which the Company needs shall be shown in colour. The Government undertakes, if it has no objection to make, to give its approval within a period of three months after receipt of the Company's request.

(B) Lands belonging to the Government, of which use is being made, and which the Company shall need, shall be requested of the Government in the manner prescribed in the preceding paragraph, and the Government, in case it should not itself need these lands and should have no objection to make, shall give, within a period of three months, its approval to the sale asked for by the Company.

The price of these lands shall be paid by the Company; such price must be reasonable, and not exceed the current price of lands of the same kind and utilized in the same manner in the district.

(C) In the absence of a reply from the Government to requests under paragraphs (A) and (B) above, after the expiry of two months from the date of receipt of the said requests, a reminder shall be sent by the Company to the Government; should the Government fail to reply to such reminder within a period of one month, its silence shall be regarded as approval.

(D) Lands which do not belong to the Government and which are necessary to the Company shall be acquired by the Company, by agreement with the parties interested, and through the medium of the Government.

In case agreement should not be reached as to the prices, the Government shall not allow the owners of such lands to demand a price higher than the prices commonly current for neighbouring lands of the same nature. In valuing such lands, no regard shall be paid to the use to which the Company may wish to put them.

(E) Holy places and historical monuments, as well as all places and sites of historical interest, are excluded from the foregoing provisions, as well as their immediate surroundings for a distance of at least 200 metres.

(F) The Company has the non-exclusive right to take within the territory of the Concession, but not elsewhere, on any unutilized land belonging to the State, and to utilize gratuitously for all the operations of the Company, any kinds of soil, sand, lime, gypsum, stone and other building materials. It is understood that if the utilization of the said materials were prejudicial to any rights whatever of third parties, the Company, should indemnify those whose rights were infringed.

ARTICLE 5

The operations of the Company in Persia shall be restricted in the following manner:

(1) the construction of any new railway line and of any new port shall be subject to a previous agreement between the Government and the Company.

(2) if the Company wishes to increase its existing service of telephones, telegraphs, wireless and aviation in Persia, it shall only be able to do so with the previous consent of the Government.

If the Government requires to utilize the means of transport and communication of the Company for national defence, or in other critical circumstances, it undertakes to impede as little as possible the operations of the Company, and to pay it fair compensation for all damages caused by the utilization above-mentioned.

ARTICLE 6

(A) The Company is authorized to effect, without special licence, all imports necessary for the exclusive needs of its employees, on payment of the Custom duties and other duties and taxes in force at the time of the importation.

The Company shall take the necessary measures to prevent the sale or the handing over of products imported, to persons not employed by the Company.

(B) The Company shall have the right to import, without special licence, the equipment, material, medical and surgical instruments and pharmaceutical products necessary for its dispensaries and hospitals in Persia, and shall be exempt in respect thereof from any Customs duties and other duties and taxes in force at the time of importation, or payments of any nature whatever to the Persian State or local authorities.

(C) The Company shall have the right to import, without any licence and exempt from any Customs duties, and from any taxes or payments

of any nature whatever to the Persian State or to local authorities, anything necessary exclusively for the operations of the Company in Persia.

(D) The exports of petroleum shall enjoy Customs immunity, and shall be exempt from any taxes or payments of any nature whatever to the Persian State or to local authorities.

ARTICLE 7

(A) The Company and its employees shall enjoy the legal protection of the Government.

(B) The Government shall give, within the limits of the laws and regulations of the country, all possible facilities for the operations of the Company in Persia.

(C) If the Government grants concessions to third parties for the purpose of exploiting other mines within the territory of the Concession, it must cause the necessary precautions to be taken in order that these exploitations do not cause any damage to the installations and works of the Company.

(D) The Company shall be responsible for the determination of dangerous zones for the construction of habitations, shops and other buildings, in order that the Government may prevent the inhabitants from settling there.

ARTICLE 8

The Company shall not be bound to convert into Persian currency any part whatsoever of its funds, in particular any proceeds of the sale of its exports from Persia.

ARTICLE 9

The Company shall immediately make its arrangements to proceed with its operations in the province of Kermanshah, through a subsidiary company with a view to producing and refining petroleum there.

ARTICLE 10

(I) The sums to be paid to the Government by the Company in accordance with this Agreement (besides those provided in other articles) are fixed as follows:

(a) An annual royalty, beginning on 1st January, 1933, of four shil-

lings per ton of petroleum sold for consumption in Persia or exported from Persia;

(b) Payment of a sum equal to twenty per cent. (20%) of the distribution to the ordinary stockholders of the Anglo-Persian Oil Company Limited, in excess of the sum of six hundred and seventy-one thousand two hundred and fifty pounds sterling (£671,250) whether that distribution be made as dividends for any one year, or whether it relates to the reserves of the Company, exceeding the reserves which, according to its books, existed on 31st December, 1932.

(c) The total amount to be paid by the Company for each calendar (Christian) year under sub-clauses (a) and (b) shall never be less than seven hundred and fifty thousand pounds sterling (£750,000).

(II) Payments by the Company under this Article shall be made as follows:

(a) On 31st March, 30th June, 30th September and 31st December, of each year, on each occasion one hundred and eighty-seven thousand five hundred pounds sterling (£187,500). (The payment relating to 31st March, 1933, shall be made immediately after the ratification of the present Agreement.)

(b) On 28th February, 1934, and thereafter on the same date in each year, the amount of the tonnage royalty for the previous year provided for in sub-clause (I) (a) less the sum of seven hundred and fifty thousand pounds sterling (£750,000), already paid under sub-clause (II) (a).

(c) Any sums due to the Government under sub-clause (I) (b) of this Article shall be paid simultaneously with any distributions to the ordinary stockholders.

(III) On the expiration of this Concession, as well as in the case of surrender by the Company under Article 25, the Company shall pay to the Government a sum equal to twenty per cent. (20%) of:

(a) The surplus difference between the amount of the reserves (General Reserve) of the Anglo-Persian Oil Company Limited, at the date of the expiration of the Concession, or of its surrender, and the amount of the same reserves at 31st December, 1932;

(b) The surplus difference between the balance carried forward by the Anglo-Persian Oil Company Limited, at the date of the expiration of the Concession or of its surrender, and the balance carried forward by the Company at 31st December, 1932. Any payment due to the Government under this clause shall be made within a period of one month from the date of the General Meeting of the Company following the expiration or surrender of the Concession.

(IV) The Government shall have the right to check the returns relating to sub-clause (I) (a) which shall be made to it at latest on 28th February for the preceding year.

(V) To secure the Government against any loss which might result from fluctuations in the value of English currency, the parties have agreed as follows:

(a) If, at any time the price of gold in London exceeds six pounds sterling per ounce (ounce troy) the payments to be made by the Company in accordance with the present Agreement (with the exception of sums due to the Government under sub-clause (I) (b) and clause (III) (a) and (b) of this Article, and sub-clause (I) (a) of Article 23) shall be increased by one thousand four hundred and fortieth part ($1/1,440$) for each penny of increase of the price of gold above six pounds sterling (£6) per ounce (ounce troy) on the due date of payments.

(b) If, at any time, the Government considers that gold has ceased to be the general basis of values, and that the payments above mentioned no longer give it the security which is intended by the parties, the parties shall come to an agreement as to a modification of the nature of the security above mentioned, or, in default of such an arrangement, shall submit the question to the Arbitration Court (Article 22) which shall decide whether the security provided in sub-clause (a) above ought to be altered, and if so, shall settle the provisions to be substituted therefor, and shall fix the period to which such provisions shall apply.

(VI) In case of a delay, beyond the dates fixed in the present Agreement, which might be made by the Company in the payment of sums due by it to the Government, interest at five per cent (5%) per annum shall be paid for the period of delay.

ARTICLE 11

(I) The Company shall be completely exempt, for its operations in Persia, for the first thirty years, from any taxation present or future of the State and local authorities; in consideration therefor the following payments shall be made to the Government:

(a) During the first fifteen years of this Concession, on 28th February of each year and for the first time on 28th February, 1934, nine pence for each of the first six million (6,000,000) tons of petroleum, on which the royalty provided for in Article 10 (1) (a) is payable for the preceding calendar (Christian) year, and six pence for each ton in excess of the figure of six million (6,000,000) tons above defined.

(b) The Company guarantees that the amount paid under the preceding sub-clause shall never be less than two hundred and twenty-five thousand pounds sterling (£225,000).

(c) During the fifteen years following, one shilling for each of the first six million (6,000,000) tons of petroleum, on which the royalty provided for in Article 10 (I) (a) is payable for the preceding calendar

year, and ninepence for each ton in excess of the figure of 6,000,000 tons above defined.

(d) The Company guarantees that the amount paid under the preceding sub-clause (c) shall never be less than three hundred thousand pounds sterling (£300,000).

(II) Before the year 1963, the parties shall come to an agreement as to the amounts of the annual payments to be made, in consideration of the complete exemption of the Company for its operations in Persia from any taxation of the State and of local authorities, during the second period of thirty years extending until 31st December, 1993.

ARTICLE 12

(A) The Company, for its operations in Persia, in accordance with the present Agreement, shall employ all means customary and proper, to ensure economy in and good returns from its operations, to preserve the deposits of petroleum, and to exploit its Concession by methods in accordance with the latest scientific progress.

(B) If, within the territory of the Concession, there exist other mineral substances than petroleum or woods and forests belonging to the Government, the Company may not exploit them in accordance with the present Concession, nor object to their exploitation by other persons (subject to the due compliance with the terms of clause (C) of Article 7); but the Company shall have the right to utilize the said substances or woods and forests above mentioned if they are necessary for the exploration or the extraction of petroleum.

(C) All boreholes which, not having resulted in the discovery of petroleum, produce water or precious substances, shall be reserved for the Government, which shall immediately be informed of these discoveries by the Company, and the Government shall inform the Company as soon as possible if it wishes to take possession of them. If it wishes to take possession, it shall watch that the operations of the Company be not impeded.

ARTICLE 13

The Company undertakes to send, at its own expense, and within a reasonable time, to the Ministry of Finance, whenever the representative of the Government shall request it, accurate copies of all plans, maps, sections and any other data whether topographical, geological or of drilling, relating to the territory of the Concession, which are in its possession.

Furthermore, the Company shall communicate to the Government throughout the duration of the Concession all important scientific and technical data resulting from its work in Persia.

All these documents shall be considered by the Government as confidential.

ARTICLE 14

(A) The Government shall have the right to cause to be inspected at its wish, at any reasonable time, the technical activity of the Company in Persia, and to nominate for this purpose technical specialist experts.

(B) The Company shall place at the disposal of the specialist experts nominated to this end by the Government, the whole of its records relative to scientific and technical data, as well as all measuring apparatus and means of measurement, and these specialist experts shall, further, have the right to ask for any information in all the offices of the Company, and on all territories in Persia.

ARTICLE 15

The Government shall have the right to appoint a Representative who shall be designated "Delegate of the Imperial Government". This Representative shall have the right:

(1) To obtain from the Company all the information to which the stockholders of the Company are entitled;

(2) To be present at all meetings of the Board of Directors, of its committees and at all the meetings of stockholders, which have been convened to consider any question arising out of the relations between the Government and the Company;

(3) To preside, ex officio, with a casting vote, over the Committee to be set up by the Company for the purpose of distributing the grant for, and supervising the professional education in Great Britain, of Persian nationals referred to in Article 16.

(4) To request that special meetings of the Board of Directors be convened at any time, to consider any proposal that the Government shall submit to it. These meetings shall be convened within fifteen days from the date of the receipt by the Secretary of the Company of a request in writing to that end.

The Company shall pay to the Government to cover the expenses to be borne by it in respect of the salary and expenses of the above-mentioned Delegate, a yearly sum of two thousand pounds sterling (£2,000). The Government shall notify the Company in writing of the appointment of this Delegate, and of any changes in such an appointment.

ARTICLE 16

(I) Both parties recognize and accept as the principle governing the performance of this Agreement the supreme necessity, in their mutual interest, of maintaining the highest degree of efficiency and of economy in the administration and the operations of the Company in Persia.

(II) It is, however, understood that the Company shall recruit its artisans as well as its technical and commercial staff from among Persian nationals to the extent that it shall find in Persia persons who possess the requisite competence and experience. It is likewise understood that the unskilled staff shall be composed exclusively of Persian nationals.

(III) The parties declare themselves in agreement to study and prepare a general plan of yearly and progressive reduction of the non-Persian employees, with a view to replacing them in the shortest possible time and progressively by Persian nationals.

(IV) The Company shall make a yearly grant of ten thousand pounds sterling in order to give in Great Britain, to Persian nationals, the professional education necessary for the oil industry.

The said grant shall be expended by a Committee which shall be constituted as provided in Article 15.

ARTICLE 17

The Company shall be responsible for organizing, and shall pay the cost of the provision, control and upkeep of, sanitary and public health services, according to the requirements of the most modern hygiene practised in Persia, on all the lands of the Company and in all buildings and dwellings, destined by the Company for the use of its employees, including the workmen employed within the territory of the Concession.

ARTICLE 18

Whenever the Company shall make issues of shares to the public, the subscription lists shall be opened at Tehran at the same time as elsewhere.

ARTICLE 19

The Company shall sell for internal consumption in Persia, including the needs of the Government, motor spirit, kerosene and fuel oil, produced from Persian petroleum, on the following basis:

(a) On the first of June in each year the Company shall ascertain the average Roumanian f.o.b. prices for motor spirit, kerosene and fuel oil,

and the average Gulf of Mexico f.o.b. prices for each of these products during the preceding period of twelve months ending on 30th April. The lowest of these average prices shall be selected. Such prices shall be the "basic prices" for a period of one year beginning on 1st June. The "basic prices" shall be regarded as being the prices at the refinery.

(b) The Company shall sell: (1) to the Government for its own needs, and not for resale, motor spirit, kerosene and fuel oil at the basic prices, provided in sub-clause (a) above, with a deduction of twenty-five per cent. (25%); (2) to other consumers at the basic prices with a deduction of ten per cent. (10%).

(c) The Company shall be entitled to add to the basic prices, mentioned in sub-clause (a), all actual costs of transport and of distribution and of sale, as well as any imposts and taxes on the said products.

(d) The Government shall forbid the export of the petroleum products sold by the Company under the provisions of this article.

ARTICLE 20

(I)—(a) During the last ten years of the Concession, or during the two years from the notice preceding the surrender of the Concession provided in Article 25, the Company shall not sell or otherwise alienate, except to sub-ordinate companies, any of its immovable properties in Persia. During the same period, the Company shall not alienate or export any of its movable property whatever except such as has become unutilizable.

(b) During the whole of the period preceding the last ten years of the Concession, the Company shall not alienate any land obtained by it gratuitously from the Government; it shall not export from Persia any movable property except in the case when such property shall have become unutilizable, or shall be no longer necessary for the operations of the Company in Persia.

(II) At the end of the Concession, whether by expiration of time or otherwise, all the property of the Company in Persia shall become the property of the Government in proper working order, and free of any expenses and of any encumbrances.

(III) The expression "all the property" comprises all the lands, buildings, and workshops, constructions, wells, jetties, roads, pipelines, bridges, drainage and water supply systems, engines, installations and equipments (including tools) of any sort, means of transport and communication in Persia (including for example automobiles, carriages, aeroplanes), any stocks and any objects in Persia which the Company is utilising in any manner whatsoever for the objects of the Concession.

ARTICLE 21

The contracting parties declare that they base the performance of the present Agreement on principles of mutual goodwill and good faith as well as on a reasonable interpretation of this Agreement.

The Company formally undertakes to have regard at all times and in all places to the rights, privileges and interests of the Government, and shall abstain from any action or omission which might be prejudicial to them.

This Concession shall not be annulled by the Government and the terms therein contained shall not be altered either by general or special legislation in the future, or by administrative measures or any acts whatever of the executive authorities.

ARTICLE 22

(A) Any differences between the parties of any nature whatever, and in particular any differences arising out of the interpretation of this Agreement, and of the rights and obligations therein contained, as well as any differences of opinion which may arise relative to questions for the settlement of which, by the terms of this Agreement, the agreement of both parties is necessary, shall be settled by arbitration. *

(B) The party which requests arbitration shall so notify the other party in writing. Each of the parties shall appoint an arbitrator, and the two arbitrators, before proceeding to arbitration, shall appoint an umpire. If the two arbitrators cannot, within two months, agree on the person of the umpire, the latter shall be nominated, at the request of either of the parties, by the President of the Permanent Court of International Justice. If the President of the Permanent Court of International Justice belongs to a nationality or country which, in accordance with clause (C), is not qualified to furnish the umpire, the nomination shall be made by the Vice-President of the Court.

(C) The umpire shall be of a nationality other than Persian or British; furthermore, he shall not be closely connected with Persia or with Great Britain as belonging to a dominion, a protectorate, a colony, a mandated country or any other country administered or occupied by one of the two countries above-mentioned or as being or having been in the service of one of these countries.

(D) If one of the parties does not appoint an arbitrator or does not advise the other party of its appointment, within sixty days of having received notification of the request for arbitration, the other party shall have the right to request the President of the Permanent Court of

International Justice (or the Vice-President in the case provided at the end of clause (B)) to nominate a sole arbitrator, to be chosen from among persons qualified as above-mentioned, and in this case the difference shall be settled by this sole arbitrator.

(E) The procedure of arbitration shall be that followed, at the time of arbitration, by the Permanent Court of International Justice. The place and time of arbitration shall be fixed by the umpire, or by the sole arbitrator, provided for in clause (D), as the case may be.

(F) The award shall be based on the juridical principles contained in Article 38 of the Statutes of the Permanent Court of International Justice. There shall be no appeal against the award.

(G) The expenses of arbitration shall be borne in the manner determined by the award.

ARTICLE 23

(I) In full settlement of all the claims of the Government of any nature in respect of the past, until the date of coming into force of this Agreement (except in regard to Persian taxation), the Company: (a) shall pay within a period of thirty days from the said date the sum of one million pounds sterling (£1,000,000), and besides, (b) shall settle the payments due to the Government for the financial years 1931 and 1932 on the basis of Article 10 of this Agreement, and not on that of the former D'Arcy Concession, after deduction of two hundred thousand pounds sterling (£200,000) paid in 1932 to the Government as an advance against royalties, and £113,403 3s. 10d. placed on deposit at the disposal of the Government.

(II) Within the same period, the Company shall pay to the Government in full settlement of all its claims in respect of taxation for the period from 21st March, 1930, to 31st December, 1932, a sum calculated on the basis of sub-clause (a) of clause I of Article 11, but without the guarantee provided in sub-clause (b) of the same clause.

ARTICLE 24

If, by reason of the annulment of the D'Arcy Concession, litigation should arise between the Company and private persons on the subject of the duration of leases made in Persia before 1st December, 1932, within the limits allowed by the D'Arcy Concession, the litigation shall be decided according to the rules of interpretation following:

(a) If the lease is to determine, according to its terms, at the end of the D'Arcy Concession, it shall retain its validity until 28th May, 1961, notwithstanding the annulment of the said Concession.

(b) If it has been provided in the lease that it shall be valid for the duration of the D'Arcy Concession, and in the event of its renewal for the duration of the renewed Concession, the lease shall retain its validity until 31st December, 1993.

ARTICLE 25

The Company shall have the right to surrender this Concession at the end of any Christian calendar year, on giving to the Government notice in writing two years previously.

On the expiry of the period above provided, the whole of the property of the Company in Persia, defined in Article 20, (III) shall become, free of cost and without encumbrances, the property of the Government, in proper working order, and the Company shall be released from any engagement for the future. In case there should be disputes between the parties concerning their engagements before the expiry of the period above provided the differences shall be settled by arbitration as provided in Article 22.

ARTICLE 26

This Concession is granted to the Company for the period beginning on the date of its coming into force, and ending on 31st December, 1993.

Before the date of 31st December, 1993, this Concession can only come to an end in the case that the Company should surrender the Concession (Article 25) or in the case that the Arbitration Court should declare the Concession annulled as a consequence of default of the Company in the performance of the present Agreement.

The following cases only shall be regarded as default in that sense:

(a) If any sum awarded to Persia by the Arbitration Court has not been paid within one month of the date of the award.

(b) If the voluntary or compulsory liquidation of the Company be decided upon.

In any other cases of breach of the present Agreement by one party or the other, the Arbitration Court shall establish the responsibilities, and determine their consequences.

Any transfer of the Concession shall be subject to confirmation by the Government.

ARTICLE 27

This Agreement shall come into force after ratification by the Majlis, and promulgation by Decree of His Imperial Majesty the Shah. The

Government undertakes to submit this Agreement, as soon as possible, for ratification by the Majlis.

Made at Tehran the twenty-ninth April one thousand, nine hundred and thirty-three.

For the Imperial Government of Persia

S. H. TAQIZADEH

For and on behalf of the Anglo-Persian Oil Company Ltd.

JOHN CADMAN, *Chairman*

W. FRASER, *Deputy Chairman.*

APPENDIX II

Supplemental Agreement between the Iranian Government and the Anglo-Iranian Oil Company, Limited, made at Tehran on 17th July, 1949.

Whereas on 29th April, 1933, an Agreement (herein called "the Principal Agreement") was entered into between the Imperial Government of Persia (now known as "the Imperial Iranian Government") of the one part and the Anglo-Persian Oil Company, Limited (now known as "the Anglo-Iranian Oil Company, Limited") of the other part, which established a Concession for the regulation of the relations between the two parties above mentioned

And whereas the Government and the Company have after full and friendly discussion agreed that in view of the changes in economic conditions brought about by the World War of 1939-45 the financial benefits accruing to the Government under the Principal Agreement should be increased to the extent and in the manner hereinafter appearing

And whereas for this purpose the parties have agreed to enter into a Supplemental Agreement:

Now it is hereby agreed between the Imperial Iranian Government and the Anglo-Iranian Oil Company Limited, as follows:

1. This Agreement is supplemental to and shall be read with the Principal Agreement.

2. Any of the terms used herein which have been defined in the Principal Agreement shall have the same meaning as in the Principal Agreement, save that, for the purposes of this Agreement, all references in the Principal Agreement to Persia, Persian, the Imperial Government of Persia and the Anglo-Persian Oil Company, Limited, shall be read as references to Iran, Iranian, the Imperial Iranian Government and the Anglo-Iranian Oil Company, Limited, respectively, and the references to the Permanent Court of International Justice shall be read as references to the International Court of Justice established by the United Nations.

3. (a) In respect of the calendar year ended 31st December, 1948, and thereafter, the rate of the annual royalty payable to the Government under sub-clause (1) (a) of Article 10 of the Principal Agreement shall be increased from four shillings to six shillings per ton of petroleum sold for consumption in Iran, or exported from Iran.

(b) The Company shall within a period of thirty days from the date of coming into force of the Agreement, pay to the Government the sum of three million three hundred and sixty-four thousand four hundred and fifty-nine pounds sterling (£3,364,459), as a retrospective application to cover the calendar year ended 31st December, 1948, of the modification introduced by sub-clause (a) of this Clause 3, taking into account the provisions of sub-clause (V) (a) of Article 10 of the Principal Agreement.

4. In order that the Government may receive a greater and more certain and more immediate benefit in respect of amounts placed to the General Reserve of the Anglo-Iranian Oil Company, Limited, than that provided by sub-clause (I) (b) and sub-clause (III) (a) of Article 10 of the Principal Agreement, the Company shall pay to the Government in respect of each amount placed to the General Reserve of the Anglo-Iranian Oil Company, Limited, in respect of each financial period for which the accounts of that company are made up (starting with the financial period ended 31st December, 1948) a sum equal to twenty per cent (20%) of a figure to be arrived at by increasing the amount placed to General Reserve (as shown by the published accounts for the financial period in question) in the same proportion as twenty shillings sterling (20s) bear the difference between twenty shillings sterling (20s) and the Standard Rate of British Income Tax in force at the relevant date.

The relevant date shall be the date of the final distribution to the Ordinary Stockholders in respect of the financial period in question, or, in the event of there being no such final distribution, a date one calendar month after the date of the Annual General Meeting at which the accounts in question were presented.

Examples of the implementation of the principle set out in this sub-clause (a) have been agreed between the parties hereto and are set out in the Schedule to this Agreement.

(b) If in respect of any financial period for which the accounts of the Anglo-Iranian Oil Company, Limited, are made up (starting with the financial period ended 31st December, 1948) the total amount payable by the Company to the Government under sub-clause (a) of this Clause 4 and sub-clause (I) (b) of Article 10 of the Principal Agreement shall be less than four million pounds sterling (£4,000,000) the Company shall pay to the Government the difference between the said total amount and four million pounds sterling (£4,000,000). Provided, however, that if during any such financial period the Company shall have ceased,

owing to events outside its control, to export petroleum from Iran, the amount payable by the Company in respect of such period in accordance with the foregoing provisions of this sub-clause (b) shall be reduced by a sum which bears the same proportion to such amount as the period of such cessation bears to such financial period.

(c) Any sum due to the Government in respect of any financial period under sub-clause (a) or sub-clause (b) of this Clause 4 shall be paid on the relevant date appropriate to that financial period.

(d) The provisions of Clause (V) of Article 10 of the Principal Agreement shall not apply to any payments made by the Company to the Government in accordance with sub-clause (a) or sub-clause (b) of this Clause 4.

5. (a) In respect of the sum of fourteen million pounds sterling (£14,000,000) shown in the Balance Sheet of the Anglo-Iranian Oil Company, Limited, dated 31st December, 1947, as constituting the General Reserve of that company, the Company shall, within a period of thirty days from the date of coming into force of this Agreement, pay to the Government the sum of five million and ninety thousand nine hundred and nine pounds sterling (£5,090,909).

(b) The provisions of Clause (V) of Article 10 of the Principal Agreement shall not apply to the payment to be made by the Company in accordance with sub-clause (a) of this Clause 5.

6. The payments to be made by the Company under Clauses 4 and 5 of this Agreement shall be in lieu of and in substitution for:

(I) any payments to the Government under sub-clause (I) (b) of Article 10 of the Principal Agreement in respect of any distribution relating to the General Reserve of the Company, and

(II) any payment which might become payable by the Company to the Government in respect of the General Reserve under sub-clause (III) (a) of Article 10 of the Principal Agreement on the expiration of the Concession, or in the case of surrender by the Company under Article 25 of the Principal Agreement.

7. (a) In respect of the calendar year ended 31st December, 1948, and thereafter, the rate of payment to be made by the Company to the Government in accordance with sub-clause (I) (c) of Article 11 of the Principal Agreement which relates to the payment to be made in respect of the excess over 6,000,000 tons shall be increased from ninepence to one shilling.

(b) The Company shall, within a period of thirty days, from the date of coming into force of this Agreement, pay to the Government the sum of three hundred and twelve thousand nine hundred pounds sterling (£312,900), as a retrospective application to cover the calendar year ended 31st December, 1948, of the modification introduced by sub-

clause (a) of this Clause 7, taking into account the provisions of sub-clause (V) of Article 10 of the Principal Agreement.

8. (a) At the end of sub-clause (a) of Article 19 of the Principal Agreement there shall be added a paragraph in the following terms: "If at any time, either party shall consider that either Roumanian prices or Gulf of Mexico prices no longer provide suitable standards for fixing 'basic prices', then the 'basic prices' shall be determined by mutual agreement of the parties, or in default of such agreement, by arbitration under the provisions of Article 22. The 'basic prices' so determined shall become binding on both parties by an agreement effected by exchange of letters between the Government (which shall have full capacity to enter into such an agreement) and the Company."

(b) As from 1st June, 1949, the prices at which the Company shall sell motor spirit, kerosene and fuel oil, produced from Iranian petroleum to consumers other than the Government for internal consumption in Iran, shall be the basic prices with a deduction of twenty-five per cent (25%), instead of a deduction of ten per cent (10%) as provided in sub-clause (b) of Article 19 of the Principal Agreement.

9. In consideration of the payment of the above sums by the Company, the Government and the Company agree that all their obligations one to another accrued up to 31st December, 1948, in respect of sub-clause I (a) and sub-clause I (b) of Article 10, and in respect of Article 11 of the Principal Agreement and also in respect of the General Reserve have been fully discharged.

10. Subject to the provisions of this Agreement, the provisions of the Principal Agreement shall remain in full force and effect.

11. This agreement shall come into force after ratification by the Majlis, and on the date of its promulgation by Decree of His Imperial Majesty the Shah. The Government undertakes to submit this Agreement as soon as possible for ratification by the Majlis.

Examples of the Implementation of the Principle set out in Sub-clause (a) of Clause 4 of the Written Agreement on the Assumption that £1,000,000 is Placed to General Reserve

	EXAMPLE I	EXAMPLE II	EXAMPLE III
1. Standard Rate of British Income Tax	10s in the £1	9s. in the £1	5s in the £1
2. Amount placed to General Reserve shown by the published accounts for the financial period in question	£1,000,000	£1,000,000	£1,000,000

EXAMPLE I EXAMPLE II ~~EXAMPLE III~~

3. The above amount is increased as follows:

<i>A</i> "Twenty of British Shillings sterling"	<i>Standard</i> <i>Rate</i> <i>Income Tax</i>	<i>B</i> <i>Differ- ence</i>	<i>Propor- tionate Increase</i>				
			<i>A</i>	<i>B</i>			
20s.	10s.	10s.	20	10	£2,000,000		
20s.	9s.	11s.	20	11	..	£1,818,182	
20s.	5s.	15s.	20	15	£1,333,333

4. The "sum equal to 20%" which is therefore payable to the Iranian Government is .. £400,000 £363,636 £266,667

Made at Tehran the 17th July, one thousand nine hundred and forty-nine.

For the Imperial Iranian Government:
A. Q. GULSHAYAN.

For and on behalf of the Anglo-Iranian
Oil Company, Limited:
N. A. GASS.

